JAKE Oil, LLC

P. O. Box 80806
Billings, Montana 59108-0806
406-896-4953 Fax 406-896-4954

August 4, 2005

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

RE: Application for Permit to Drill

We are submitting this Application for Permit to Drill on behalf of GLNA LLC.
The following will be submitted at a later date:

1. Cultural Resource Inventory
2. Division Water Rights Approval
3. Cement Program
4. Bond

If you have any questions you may contact:
Gary Nydegger, GLNA at (303) 237-2883
Eric H Olsen, JAKE Oil LLC at (406)896-4953

Sincerely,

Eric H Olsen
JAKE Oil LLC

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

5. MINERAL LEASE NO:	6. SURFACE:
ML47365	State

1A. TYPE OF WORK: DRILL ☑ REENTER ☐ DEEPEN ☐

7. IF INDIAN, ALLOTTEE OR TRIBE NAME:

B. TYPE OF WELL: OIL ☑ GAS ☐ OTHER _____ SINGLE ZONE ☑ MULTIPLE ZONE ☐

8. UNIT or CA AGREEMENT NAME:

2. NAME OF OPERATOR:
GLNA LLC

9. WELL NAME and NUMBER:
Paradox Basin #1

3. ADDRESS OF OPERATOR:
1105 Yank St. CITY Golden STATE CO ZIP 80401

PHONE NUMBER:
(303) 237-2883

10. FIELD AND POOL, OR WILDCAT:
Wildcat

4. LOCATION OF WELL (FOOTAGES)

AT SURFACE: 1006' FSL, 1729' FEL 640966X 38.799517

AT PROPOSED PRODUCING ZONE: 4295573Y -109.376726

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
SE/4 16 23S 23E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE:
21 miles from Thompson Springs

12. COUNTY:
Grand

13. STATE:
UTAH

15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET)	16. NUMBER OF ACRES IN LEASE:	17. NUMBER OF ACRES ASSIGNED TO THIS WELL:
1006'	640	160

18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET)	19. PROPOSED DEPTH:	20. BOND DESCRIPTION:
	14,500	Individual Well Bond

21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.):	22. APPROXIMATE DATE WORK WILL START:	23. ESTIMATED DURATION:
GR: 5045'	12/1/2005	90 days

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
16"	13-3/8"	J-55	54.5#	2,500	Will submit later
12-1/4"	9-5/8"	N-80	53.5#	10,800	
7-7/8"	5-1/2"	N-80	23#	14,500	

25. **ATTACHMENTS**

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

☑ WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER

☑ EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER

☑ COMPLETE DRILLING PLAN

☐ FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Eric H. Olsen TITLE Agent

SIGNATURE Eric H Olsen DATE 8/4/2005

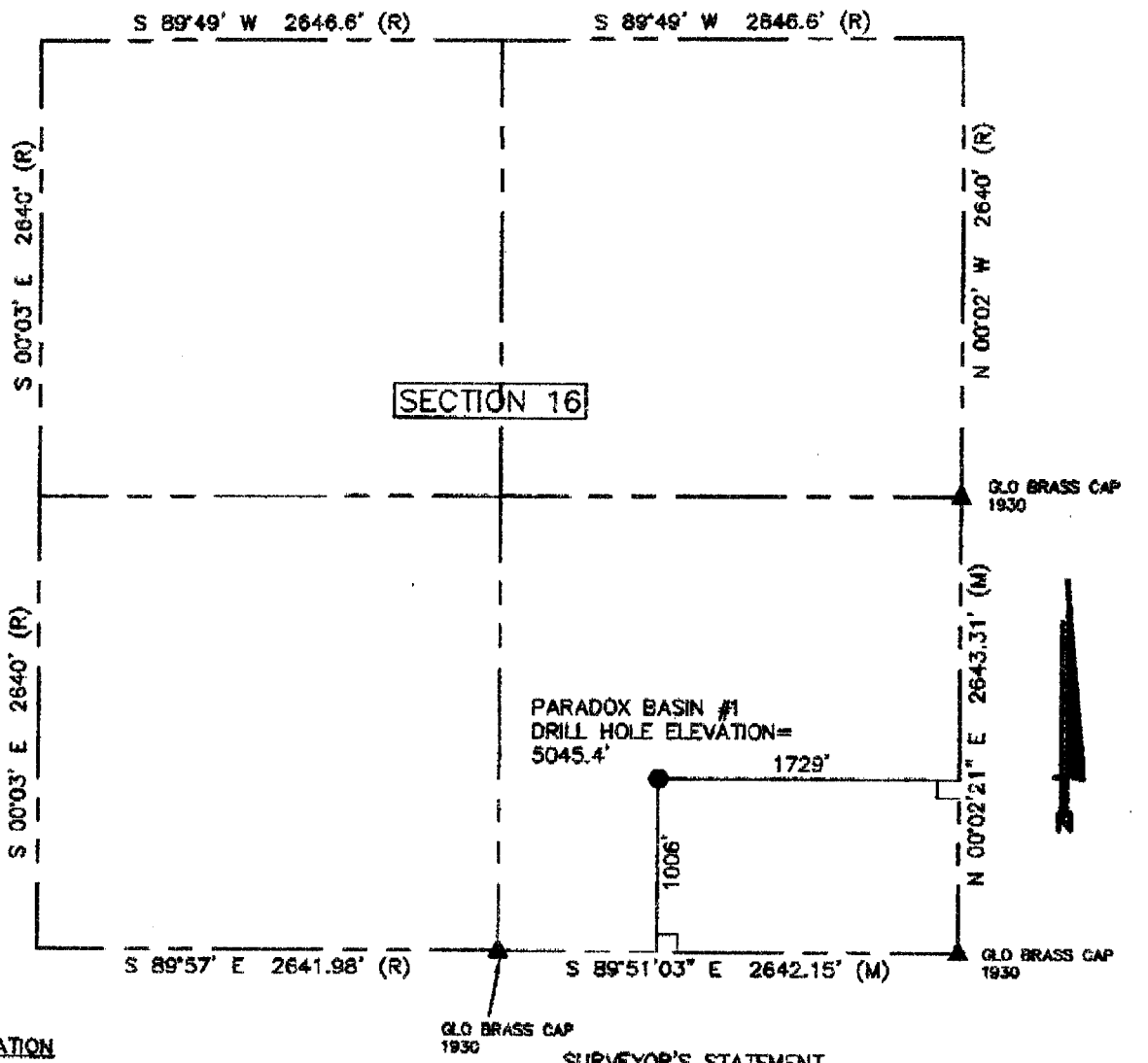
(This space for State use only)

API NUMBER ASSIGNED: 43-019-31455 APPROVAL:

(11/2001) (See Instructions on Reverse Side)

RECEIVED
AUG 15 2005
DIV. OF OIL, GAS & MINING

T 23 S, R 23 E, S.L.B.& M.



WELL LOCATION

1006' FSL – 1729' FEL,
SECTION 16, T. 23 S., R. 23 E.,
SALT LAKE BASELINE & MERIDIAN
GRAND COUNTY, UTAH
LATITUDE = 38°47'58.190" (38.79949)
LONGITUDE = 109°22'38.649" (109.37740)
ELEVATIONS BASED ON NAVD '88

OPERATOR: GLNA LLC
WELL I.D.: PARADOX BASIN #1

SURVEYOR'S STATEMENT

I, Merritt P. Dismant, a Professional Land Surveyor in the State of Utah do hereby certify that this Survey was made under my supervision, and that this Plat represents said Survey.

Merritt P. Dismant
Utah PLS 6769 (166642) 7/21/05

REGISTERED LAND SURVEYOR NO. 6769 MERRITT P. DISMANT STATE OF UTAH

LEGEND

▲ = SECTION CORNERS LOCATED
● = PROPOSED WELL HEAD
L = 90° SYMBOL
(R) = RECORD DIMENSION
(M) = MEASURED DIMENSION

SCALE: 1"= 1000'

1000 500 0 1000

BASIS OF BEARINGS

Bearings based upon GPS observations.

GLNA, LLC
PARADOX BASIN #1
PLAT OF DRILLING LOCATION

SUR. DATE: 6/17/05	DRAWN DATE: 7/21/05
SUR. BY: JT/CW	DRAWN BY: CW
DWG NO. 05-86PLAT	SHEET 1 OF 1

HIGH DESERT SURVEYING, LLC
2591 B3/4 Rd., Grand Jct., CO 81503
Tel: 970-254-8649, Fax: 970-255-7047, e-mail: highdesert@frontier.net

GEOLOGICAL PROGNOSIS

Age	Formation	Depth KB (ft)	Thickness (ft)
Jurassic	Navajo	0	775
Triassic	Chinle	775	175
Triassic	Moenkopi	950	600
Triassic	Cutler	1550	5450
Pennsylvanian	Honaker Trail	7000	1500
Pennsylvanian	Paradox	8500	1200
Pennsylvanian	Hovenweep	9700	1100
Pennsylvanian	Barker Creek	10800	1300
Pennsylvanian	Alkali Gulch	12100	800
Pennsylvanian	Pinkerton Trail	12900	400
Mississippian	Leadville	13300	1100
Cambrian	Lynch	14400	500

Well Control Equipment & Procedures

In the unlikely event of a gas kick occurring, the well shall be shut in using the hard shut in technique. The preferred method for killing the well is the "Wait and Weight" method.

All primary kick detection alarms, if available, (return flow, pit volumes, gas etc) will be set and functional prior to drilling any potential hydrocarbon or water zones. If any indications of a kick are noted then the well should be shut in immediately, shut in pressures monitored and the drilling supervisor and tool pusher notified.

All well control equipment should be function tested daily, except the pipe rams, which should be function tested on each trip out of the hole.

BOP EQUIPMENT, DRILLS AND TESTING

BOP drills shall be conducted with each crew, periodically, to ensure proficiency with the procedures fro shutting in wells.

A kill drill shall be conducted prior to drilling out a new string of casing.

BOP's shall be pressure tested every 14 days after installation and initial testing.

Pipe rams and annular preventers shall be operated on a daily basis with blind rams being operated on each trip out of the hole. Manual closing controls are to be

checked daily. This should be alternated between the Main Control Manifold, and the remote stations.

TRIPPING

The trip tank shall be used at all times during tripping out, while tripping in after hydrocarbons have been encountered and while pipe is out of the hole. An accurate record of hole fill volumes shall be maintained during tripping, logging and casing running operations.

FLOW CHECKS

If there is any indication that the well may be flowing then a flow check shall be conducted immediately. Flow checks shall also be conducted prior to commencing a trip out the hole, when the bit is at the shoe, prior to pulling the BHA through the BOP stack and if the well fails to take the calculated volume of fluid.

All drilling breaks and return flow abnormalities shall be flow checked.

SAFETY MEETINGS

Well control safety meetings shall be held prior to spud, as well as prior to drilling out each string of casing.

Pre-job safety meetings shall be held prior to conducting any non-routine or critical operations.

Emergency engine shut down equipment shall be tested and operated weekly on all engines.

Safety drills shall be held periodically at the discretion of the Operator's Representative.

Pre-tour safety meetings should be held, reviewing the next 12 hours operations, and the Drilling Contractor's job safety assessment and work permit procedures should be followed.

LEAK-OFF TESTS

A 'leak-off test' or 'formation integrity test' will be conducted in the open hole after drilling 3 meters or 10 feet of new hole below the 13 3/8" casing shoe. The purpose of the test is to determine either the competence of the formation below the shoe or the competence of the primary cement job around the shoe.

A 'leak-off test' or 'formation integrity test' will be conducted in the open hole after drilling 3 meters or 10 feet of new hole below the 9 5/8" casing shoe. The purpose of the test is to determine either the competence of the formation below the shoe or the competence of the primary cement job around the shoe.

The following is the recommended leak-off test procedure:

1. Drill out cement plus 3 meters or ten feet of new formation using mud from the surface hole.

2. Circulate clean to a balanced mud weight.
   Note: The fluid in the hole should be a mud, and not a fluid with no, or only dissolved, solids.

3. Pull the bit back into casing shoe.

4. Make sure the hole is filled up and close the BOP (Annular) around the drill pipe.

5. Rig up the test pump to the drill pipe or annulus. Use a pressure gauge of appropriate range mounted at the pump unit manifold.

6. Slowly pump mud until pressures begin to increase. Volume pumped will start from this point.

7. Pump 0.25 bbl and wait for 2 minutes or the time required for the pressure to stabilize in case this takes longer.

8. Record the volume pumped and the bleed back stabilized pressure.

9. Repeat items 6 & 7, plot pressures versus cumulative mud volume for each pumped volume increment.

1. Continue procedure until the final stabilized pressure after the waiting time, deviates from the expected pressure based on the plot. Keep well closed in to verify that a constant pressure has indeed been obtained.

11. Bleed off pressure and establish volume of mud lost to the formation.
    Note: If there is a solid float valve in the drill string, bleed off at the choke line, and not at the pump unit. If the float is ported then bleed off at the pump unit, and monitor the annulus pressure to ensure it is bled off before opening the Annular Preventer

12. Open the BOP (Annular) and resume drilling operations.

13. Record maximum stabilized pressure, TV depth and equivalent mud weight of this test on the next 'Daily Drilling Report' and the 'IADC' report.

PRESSURE TESTING SCHEDULE

1. After installation of the BOP's, the pipe rams, choke and kill line valves, choke manifold, mud standpipe manifold, and Kelly valves are to be tested to 5000 psi. The annular preventer is also to be tested to 5000 psi. This may be done with a Test Plug.

2. Blind rams shall only be tested against a Test Plug, after backing out the drill pipe, and tested to 7000 psi.

3. Casing Head is designed to accommodate a casing leak during the production phase. This gives a requirement to test the bradenhead, the 13 3/8" BTC connection and the side outlet valves, to 5000 psi. This test should be carried out using a 13 3/8" Cup Type Tester, against the 4 1/2" pipe rams, at the initial BOP test phase.

4. All tests are to include a 250-psi low-pressure test prior to testing to 5000 psi.

5. Test pressures shall be held for 5 minutes for low and 10 minutes for high pressure tests.

6. All tests shall be performed using water.

7. If the BOP's are tested with a test plug the wellhead connection, and the Casing Head side outlet valves must be pressure tested separately with a cup tester. This should be to 250/5000 psi.

8. BOP's shall be tested every 14 days (First operationally suitable opportunity thereafter), with a Test Plug. (Not the Blind Rams)

9. The accumulator unit shall be tested prior to drilling out the casing on which the BOP is installed. The tests required are:
    a) The accumulator bottles shall be pre-charged to 1200 psi (with Nitrogen).
    b) Accumulator recharging pumps (air and electric) should be set to 'start' at approx 2,600 psi, and 'stop' at approx 2,800 psi.

10. An accumulator performance test is required to be carried out once only, to determine if there is sufficient accumulator storage volume available. The procedure for this test is as follows:
    - Switch off all accumulator-recharging pumps (air and electric).

- The accumulator fully charged pressure should be approximately 2,800 psi.
- Close and Open each of the BOP functions.
- There should still be approximately 1,400 psi (i.e. 200 psi above pre-charge) of accumulator pressure available.
- Refer to the 'Drilling Operations Manual' for details.

CASING DESIGN

CASING SETTING DEPTHS

<u>13 3/8" Surface Casing</u>

The 13 3/8" casing setting depth of 2,500 feet was selected to provide a competent shoe and an acceptable kick tolerance for drilling the 12 1/4" hole to TD of intermediate casing string. The casing string shall consist of: J-55, 54.5#, new casing.

<u>9 5/8" Intermediate Casing</u>

The intermediate casing setting depth of 10,800 feet has been selected to provide a competent shoe and an acceptable kick tolerance for drilling the 7 7/8" hole to TD. The 9 5/8" casing string will be N-80, 53.5# new casing.

<u>5 ½" Production Casing</u>

The production casing setting depth of 14,500 feet has been selected for TD. The 5 ½" casing sting will be N-80, 23# new casing.

CASING DESIGN SUMMARY

Casing Specification					Casing Performance		
Casing Size (in)	Setting Depth (ft RT)	Weight (lb./ft)	Grade	Conn	Burst Rating (psi)	Collapse Rating (psi)	Tensile Rating (klbs)
13-3/8	2500	54.5	J-55	BUTT	2730	1130	909
9-5/8	10800	53.5	N-80	BUTT	7930	6620	1235
5-1/2	14500	23	N-80	BUTT	8,990	11,160	577

2000' 54.5#
500' 61#
Per Cary Pilgrim 2/17/06

Casing Design Assumptions

BURST:

Surface Casing — 1) Leak off pressure at the shoe with a gas gradient to surface.

	2) Assumes a casing test pressure of 5000 psi with mud on the inside of the casing and water on the outside of the casing.
Intermediate Casing	1) Leak off pressure at the shoe with a gas gradient to surface. 2) Assumes a casing test pressure of 5000 psi with mud on the inside of the casing and water on the outside of the casing.
Production Casing	1) Internal load equal to a leak or failure in the top of the string during production and the casing evacuated. 2) The mud behind the casing is assumed to have deteriorated to water. 3) Formation still at virgin pressure and the production fluid is gas.
COLLAPSE:	1) Internal load equal to complete evacuation 2) External load equal to mud hydrostatic

CENTRALIZER PROGRAM

13-3/8" Casing (Bow Spring Type):

1 each on middle of first and second joints across stop collars.
1 on the coupling of third joint.
1 on first coupling below base of cellar.

9-5/8" Casing (Bow Spring Type):

1 each on middle of first and second joints across stop collars.
1 on the coupling of third joint.
1 on first coupling below base of cellar.

5 ½" Casing (Bow Spring Type):

1 10 feet above the float shoe
1 10 feet above the float collar
1 on next two couplings
1 over each coupling form 45 feet above to 45 feet below formation of interest
1 over every fourth coupling to base of surface casing

1 over the first, third and fifth couplings above the base of surface casing.

DRILLING FLUID

The 24" hole section will be spud with air. Monitor tight hole and cavings, and make any mud weight increase as necessary.

16" hole is to be drilled with native muds to a depth of 2500 feet. The mud weight and drilled solids should be maintained as low as practical by maximizing the use of the mud cleaning equipment available on the rig. The weight should be kept between 8.4 and 8.9.

12 ¼" hole is to be drilled with a LSND fluid system. Mud weights should stay between 8.4 and 8.9.

7 7/8" hole is to be drilled with a LSND fluid system. Mud weights should stay between 8.8 and 9.2.

FORMATION EVALUATION

LOGGING:

DIL, LDT/CNL-GR, BHC Sonic

CORING:

No Coring is anticipated.

CUTTINGS:

Samples need to be collected every 30' from base of surface pipe to TD.

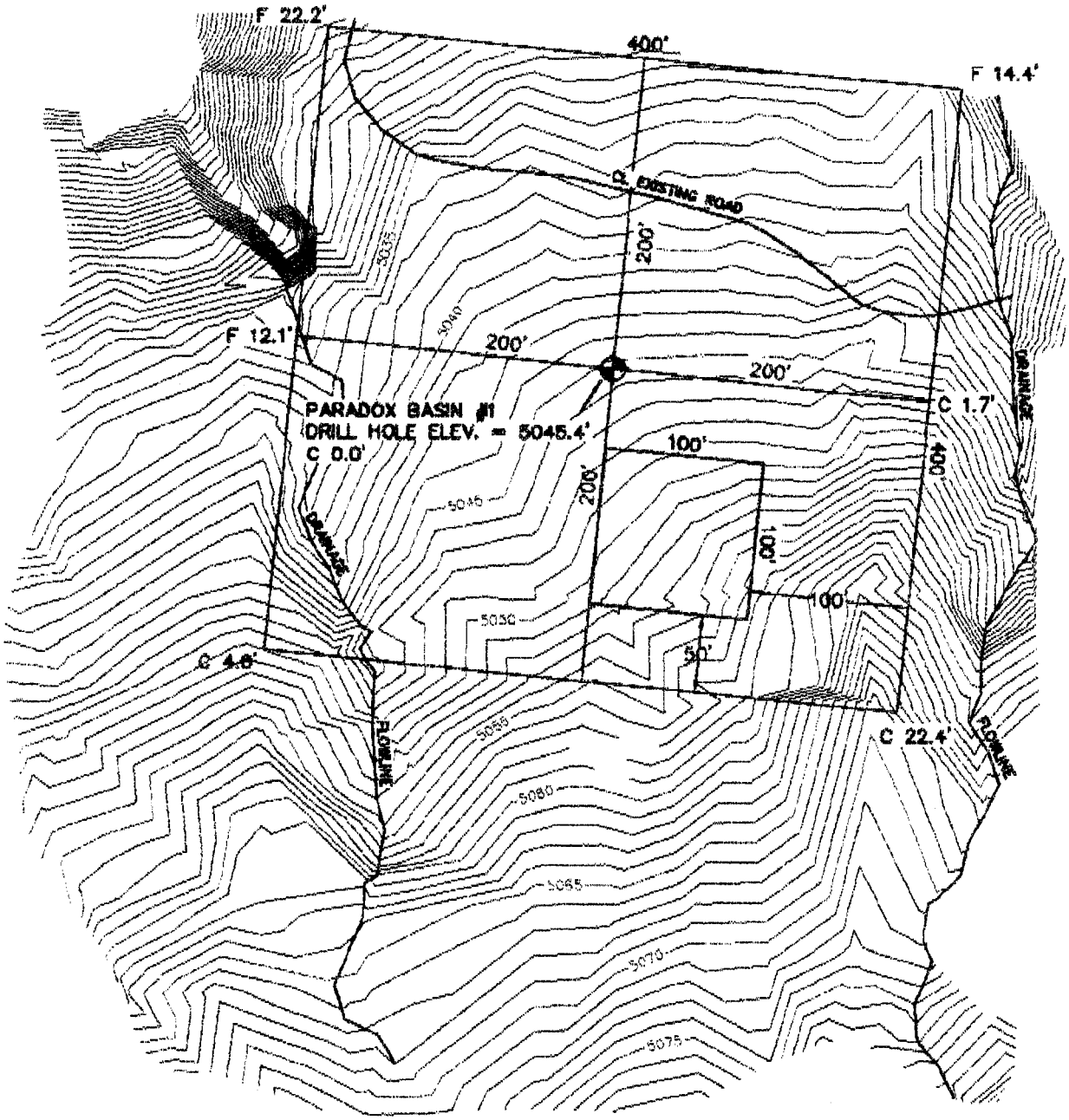
MUDLOGGING:

A one-man mud-logging unit will be operational from base of surface casing to total depth.

TESTING:

4 DST's are planned.

PARADOX BASIN #1



GLNA, LLC
1105 Yank St.
Golden, CO 80401

1006' FSL – 1729' FEL,
SECTION 16, T. 23 S., R. 23 E.,
SALT LAKE BASELINE & MERIDIAN
GRAND COUNTY, UTAH
OPERATOR: GLNA, LLC

SCALE: 1"= 100'

100 50 0 100

HIGH DESERT SURVEYING, LLC
2591 B 3/4 Rd., Grand Jct., CO 81503
Tel: 970-254-8649, Fax: 970-255-7047, e-mail: highdesert@frontier.net

SUR. DATE: 6/13/05	DRAWN DATE: 8/01/05
SUR. BY: JT/CW	DRAWN BY: CW
DWG NO. 05-86	SHEET 1 OF 1

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

5. MINERAL LEASE NO: ML47365	6. SURFACE: State
7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
8. UNIT or CA AGREEMENT NAME:	
9. WELL NAME and NUMBER: Paradox Basin #1	
10. FIELD AND POOL, OR WILDCAT: Wildcat	
11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SE/4 16 23S 23E	
12. COUNTY: Grand	13. STATE: UTAH

1A. TYPE OF WORK: DRILL ☑ REENTER ☐ DEEPEN ☐

B. TYPE OF WELL: OIL ☑ GAS ☐ OTHER _____ SINGLE ZONE ☑ MULTIPLE ZONE ☐

2. NAME OF OPERATOR: GLNA LLC

3. ADDRESS OF OPERATOR: 1105 Yank St. CITY Golden STATE CO ZIP 80401

PHONE NUMBER: (303) 237-2883

4. LOCATION OF WELL (FOOTAGES)

AT SURFACE: 1006' FSL, 1729' FEL 640966X 38.799517

AT PROPOSED PRODUCING ZONE: 4295573Y -109.376726

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 21 miles from Thompson Springs

15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET)	16. NUMBER OF ACRES IN LEASE:	17. NUMBER OF ACRES ASSIGNED TO THIS WELL:
1006'	640	160
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET)	**19. PROPOSED DEPTH:**	**20. BOND DESCRIPTION:**
	14,500	Individual Well Bond
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.):	**22. APPROXIMATE DATE WORK WILL START:**	**23. ESTIMATED DURATION:**
GR: 5045'	12/1/2005	90 days

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
16"	13-3/8"	J-55	54.5#	2,500	Will submit later
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25. **ATTACHMENTS**

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

☑ WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER

☑ EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER

☑ COMPLETE DRILLING PLAN

☐ FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Eric H. Olsen TITLE Agent

SIGNATURE Eric H Olsen DATE 8/4/2005

(This space for State use only)

API NUMBER ASSIGNED: 43-019-31455

APPROVAL:

Approved by the
Utah Division of
Oil, Gas and Mining

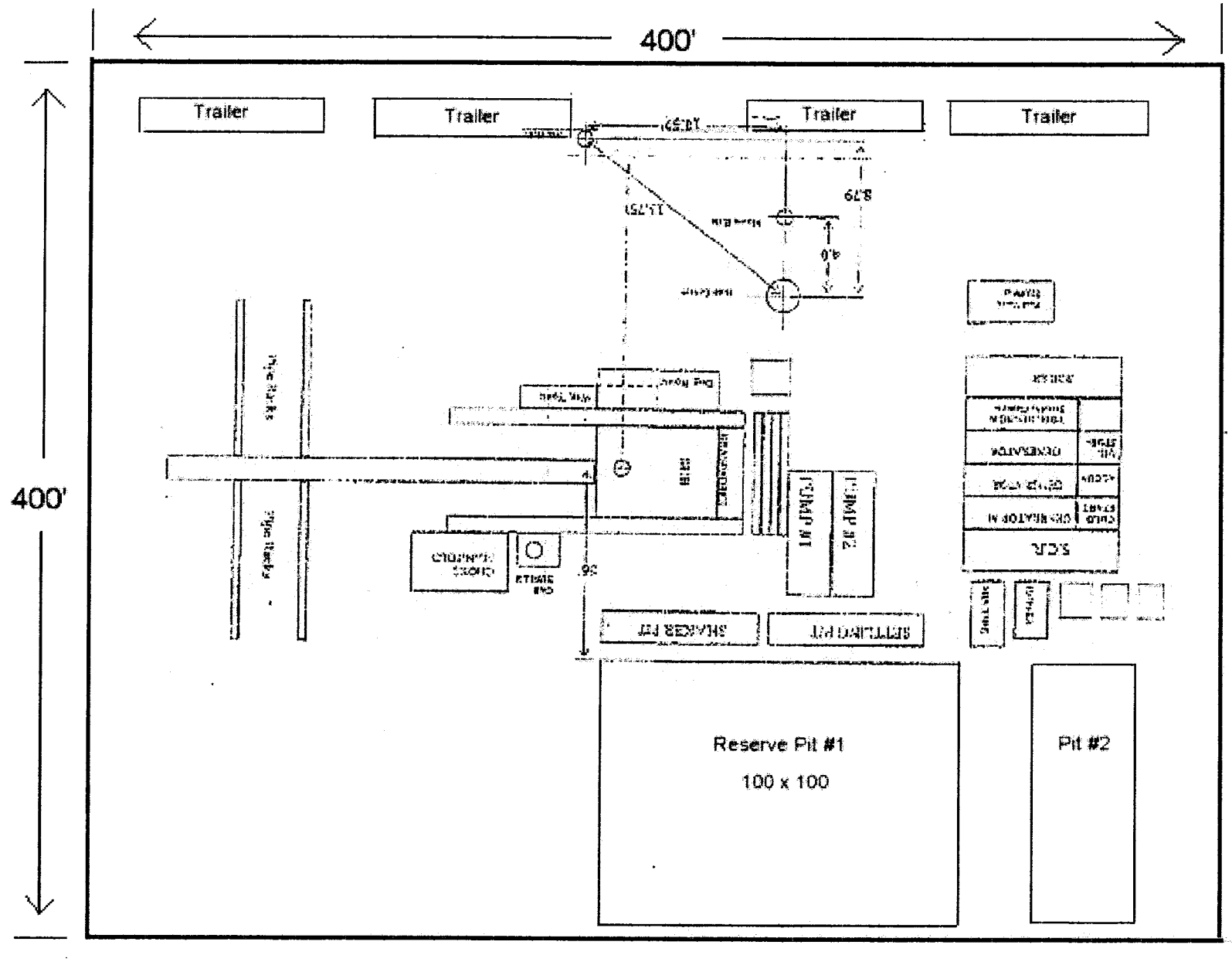
Date: 02-21-06
(See Instructions on Reverse Side)

By:

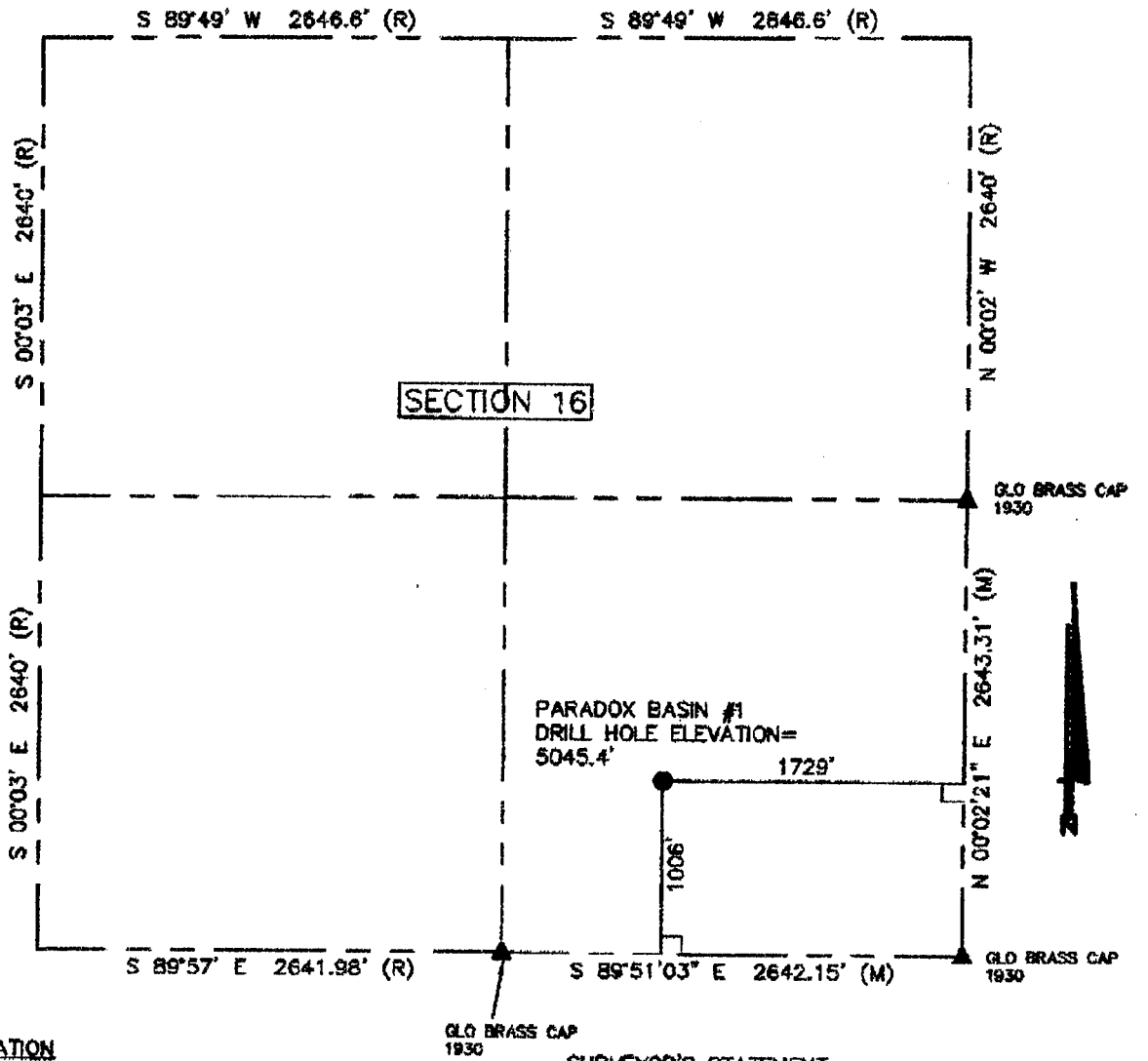
RECEIVED
AUG 15 2005
DIV. OF OIL, GAS & MINING

(11/2001)

GLNA, LLC.
Paradox Basin #1
SWSE S16 T23S R23E
Grand County, UT



T 23 S, R 23 E, S.L.B.& M.



WELL LOCATION

1006' FSL – 1729' FEL,
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GRAND COUNTY, UTAH
LATITUDE = 38°47'58.190" (38.79949)
LONGITUDE = 109°22'38.649" (109.37740)
ELEVATIONS BASED ON NAVD '88

OPERATOR: GLNA LLC
WELL I.D.: PARADOX BASIN #1

SURVEYOR'S STATEMENT

I, Merritt P. Dismant, a Professional Land Surveyor in the State of Utah do hereby certify that this Survey was made under my supervision, and that this Plat represents said Survey.

Merritt P. Dismant
Utah PLS 6769 (166642) 7/21/05

REGISTERED LAND SURVEYOR NO. 6769 MERRITT P. DISMANT STATE OF UTAH

LEGEND

▲ = SECTION CORNERS LOCATED
● = PROPOSED WELL HEAD
L = 90° SYMBOL
(R) = RECORD DIMENSION
(M) = MEASURED DIMENSION

SCALE: 1"= 1000'

1000 500 0 1000

BASIS OF BEARINGS

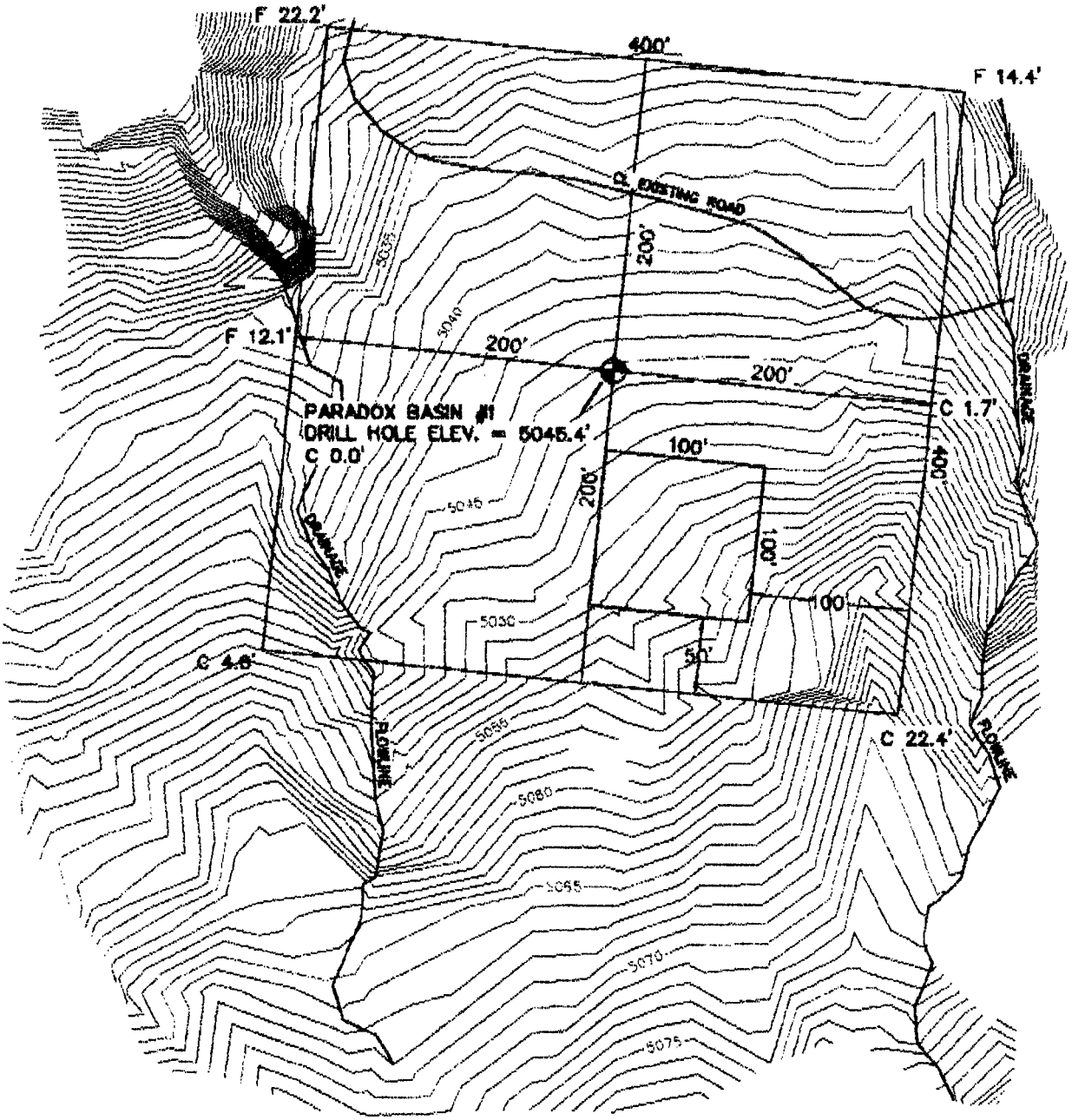
Bearings based upon GPS observations.

GLNA, LLC
PARADOX BASIN #1
PLAT OF DRILLING LOCATION

SUR. DATE: 6/17/05	DRAWN DATE: 7/21/05
SUR. BY: JT/CW	DRAWN BY: CW
DWG NO. 05-86PLAT	SHEET 1 OF 1

HIGH DESERT SURVEYING, LLC
2591 B3/4 Rd., Grand Jct., CO 81503
Tel: 970-254-8649, Fax: 970-255-7047, e-mail: highdesert@frontier.net

PARADOX BASIN #1



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SALT LAKE BASELINE & MERIDIAN
GRAND COUNTY, UTAH
OPERATOR: GLNA, LLC

N

SCALE: 1"= 100'

100 50 0 100

HIGH DESERT SURVEYING, LLC
2591 B 3/4 Rd., Grand Jct., CO 81503
Tel: 970-254-8649, Fax: 970-255-7047, e-mail: highdesert@frontier.net

SUR. DATE: 6/13/05	DRAWN DATE: 8/01/05
SUR. BY: JT/CW	DRAWN BY: CW
DWG NO. 05-86	SHEET 1 OF 1

GLNA, LLC
1105 Yank Street
Golden, CO 80401-4224
garynydegger@comcast.net
303-237-2883
fax 303-238-1838

Diana
for your
new APD

Bond to Follow

August 16, 2005

Erlene Russell
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

N2850

RE: Application for Permit to Drill

Via Fax 801-359-3940

Dear Ms. Russell,

GLNA, LLC at 1105 Yank Street, Golden, Colorado will be the operator of the Paradox Basin #1 Wildcat in SE/4 Section 16, Township 23 South, Range 23 East. The monthly reporting for this well's future production will be handled by GLNA at the above address.

Thank you,

Gary L. Nydegger, P.E., P.G.
President & Managing Member

RECEIVED
AUG 16 2005
DIV. OF OIL, GAS & MINING

Professional Engineer
COLORADO No. 26279

SIPES
No. 1591

Professional Geologist
WYOMING No. 2150

TOTAL P.01

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 08/17/2005

API NO. ASSIGNED: 43-019-31455

WELL NAME: PARADOX BASIN 1

OPERATOR: GLNA, LLC (N2850)

CONTACT: ERIC OLSEN

PHONE NUMBER: 303-237-2883

PROPOSED LOCATION:

SESE 16 230S 230E

SURFACE: 1006 FSL 1729 FEL

BOTTOM: 1006 FSL 1729 FEL

GRAND

WILDCAT (1)

LEASE TYPE: 3 - State

LEASE NUMBER: ML47365

SURFACE OWNER: 3 - State

PROPOSED FORMATION: CMBRN

COALBED METHANE WELL? NO

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering	DKD	2/17/06
Geology		
Surface		

LATITUDE: 38.79952

LONGITUDE: -109.3767

RECEIVED AND/OR REVIEWED:

✓ Plat

✓ Bond: Fed[] Ind[] Sta[] Fee[]
(No. 3943121347 42)

N Potash (Y/N)

N Oil Shale 190-5 (B) or 190-3 or 190-13

✓ Water Permit
(No. 10004)

Y RDCC Review (Y/N)
(Date: 09/12/2005)

N/A Fee Surf Agreement (Y/N)

N/A Intent to Commingle (Y/N)

LOCATION AND SITING:

___ R649-2-3.

Unit _____

___ R649-2-3. General

✓ Siting: 460 From Qtr/Qtr & 920' Between Wells

___ R649-3-3. Exception

___ Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____

___ R649-3-11. Directional Drill

COMMENTS: Needs Onsite (01-24-06)

STIPULATIONS: 1-Spacing Slip
2-STATEMENT OF BASIS

T23S R23E

8 9 10 11

18 17 16 15 14

PARADOX BASIN 1

19 20 21 22 23

30 29 28 27 26

OPERATOR: GLNA LLC (N2580)

SEC: 16 T. 23S R. 23E

FIELD: WILDCAT (001)

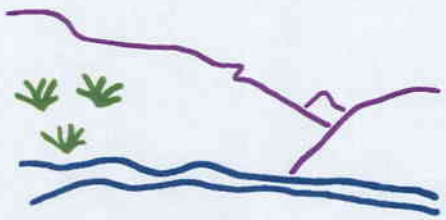
COUNTY: GRAND

SPACING: R649-3-3 / EXCEPTION LOCATION

Field Status
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

Unit Status
- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Wells Status
- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING



Utah Oil Gas and Mining

PREPARED BY: DIANA WHITNEY
DATE: 29-AUG-2005

DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS

OPERATOR: GNLA, LLC
WELL NAME & NUMBER: Paradox Basin #1
API NUMBER: 43-019-31455
LOCATION: 1/4,1/4 SESE Sec:16 TWP: 23S RNG: 23E 1006 FSL 1729 FEL

Geology/Ground Water:

Although significant volumes of high quality ground water are unlikely to be encountered in the sediments at this location, small but locally important quality water resources are likely to be encountered in permeable Mesozoic and upper Paleozoic sandstones in this area. Within a mile or two of the proposed location springs arise from the Moab Tongue of the Curtis Formation and from the base of the Navajo Sandstone. A very permeable soil is likely to be developed on Holocene eolian sand sheets and mixed, sandy, eolian and alluvial sediments overlying the Jurassic-age Navajo Sandstone, which outcrops around the location. The operator proposes to set surface casing deeply into the Permian-age Cutler Formation. The proposed casing and cementing program should adequately isolate any zones of fresh water that may be penetrated. The operator proposes to use native muds weighing between 8.4 and 8.9 lb./gal, which I interpret to mean a fresh water mud system, although such is never specifically stated. No underground water rights have been filed on any area within a mile of the proposed well site.

Reviewer: Christopher J. Kierst **Date:** 1/24/2006

Surface:

On-site conducted January 11, 2006. In attendance: Bart Kettle (DOGM), Ted Smith (DOGM), Brad Hill (DOGM), Nathan Sill (DWR), Gary Troutmen (NPS), Gary Wakefield (NPS), Liz Thomas (SUWA) and Gary Nydegger (GNLA), invited but choosing not to attend Ed Bonner (SITLA), and Jim Davis (SITLA).
Division of Wildlife Resources stated no wildlife concerns at this location, not considered big game habitat. National Park Service concerned that lighting from the derrick could create visual impacts to Arches National Park at night. Dark shies are considered one of the resources of Arches National Park. SUWA was also concerned that lighting of rig derrick will adversely impact visual resources of Arches National Park and surrounding areas. In addition, SUWA was concerned that about noise pollution from the drilling rig on the park; as to party that would be responsible for monitoring of noise created from drilling operations; that water quality and quantity would be altered by drilling of well; requested to know the source of drilling water; concerned that proper T&E survey's had not been conducted for Mexican Spotted Owl; that the combinations of wells, drilling rigs and the traffic associated with them may impact the air quality of the region; questioned bonding on well, if bond placed on well was enough to plug well if required; about affects venting of natural gas; if natural gas is to be sold, they are interested in the placement and plans for a pipeline; about right-of-way surface disturbance and it's affects of wildlife, erosion and view-shed. Reserve pit would require fencing to preclude livestock from entering; three sides should be fence while drilling.

Reviewer: Bart Kettle **Date:** January 24, 2006

Conditions of Approval/Application for Permit to Drill:

STATE ACTIONS
Resource Development Coordinating Committee
Governor's Office of Planning and Budget
5110 State Office Building
SLC, UT 84114
Phone No. 537-9230

1. State Agency	**2. Approximate date project will start:**
Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	Upon Approval or September 12, 2005

3. Title of proposed action:
Application for Permit to Drill

4. Description of Project:

GLNA LLC proposes to drill the Paradox Basin #1 well (wildcat) on State lease ML 47365, Grand County, Utah. This action is being presented to the RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence.

5. Location and detailed map of land affected (site location map required, electronic GIS map preferred)
(include UTM coordinates where possible) **(indicate county)**
1006' FSL 1729' FEL, SE/4 SE/4,
Section 16, Township 23 South, Range 23 East, Grand County, Utah

6. Possible significant impacts likely to occur:
Surface impacts include up to five acres of surface disturbance during the drilling and completion phase (estimated for five weeks duration). If oil and gas in commercial quantities is discovered, the location will be reclaimed back to a net disturbance of between one and two acres – not including road, pipeline, or utility infrastructure. If no oil or gas is discovered, the location will be completely reclaimed.

7. Identify local government affected
a. Has the government been contacted? No.
b. When?
c. What was the response?
d. If no response, how is the local government(s) likely to be impacted?

8. For acquisitions of land or interests in land by DWR or State Parks please identify state representative and state senator for the project area. Name and phone number of state representative, state senator near project site, if applicable:
a. Has the representative and senator been contacted? N/A

9. Areawide clearinghouse(s) receiving state action: (to be sent out by agency in block 1)
Southeastern Utah Association of Governments

10. For further information, contact:	**11. Signature and title of authorized officer**
Diana Whitney **Phone:** (801) 538-5312	Gil Hunt, Associate Director **Date:** August 29, 2005

Project Number: 5639 Sponsor: Division of Oil, Gas and Mining
SLB&M: Sec. 16, T23S, R23E Counties Affected: Grand
Description: Application for Permit to Drill - proposal to drill a wildcat well the Paradox Basin #1 on State lease ML 47365 Comments Due 09/14/2005

6. Possible significant impacts likely to occur:
Surface impacts include up to five acres of surface disturbance during the drilling and completion phase (estimated for five weeks duration). If oil and gas in commercial quantities is discovered, the location will be reclaimed back to a net disturbance of between one and two acres – not including road, pipeline, or utility infrastructure. If no oil or gas is discovered, the location will be completely reclaimed.

Provision for granting the drilling permit should include provisions as standard that:

1- Erosion rates from the drilling site will not exceed the tolerable erosion rate as established by USDA/NRCS during nor for two years following the duration of the easement.
2- Following drilling, areas disturbed shall be seeded with seed of >90% viability, with non-invasive seed, of a species and variety (ies) which is/are native and/or recommended for the site by USDA/NRCS and/or USU Extension Service.
3- One year following completion of drilling, vegetative cover surrounding the drilling site in all disturbed areas shall equal or exceed the greater of the percentage of vegetative cover of the drilling site area prior to disturbance, or the vegetative cover of of the land surrounding the drilling site disturbance.

Before permitting drilling site development to proceed, conditions should be included within the permit to protect environmental quality, sustain valuable natural resources, and to reduce future costs on the treasury of Utah and its citizens. These conditions should include -

A) Net erosion from the total comprehensive drilling site project shall not exceed 'tolerable' erosion rates as determined by USDA / NRCS for agricultural soils. Although the land is not in agricultural use, maintaining these standards will preserve and protect natural resource values of the soil and in the waters downslope of the project area.
B) Erosion from any one site or disturbance will not exceed the tolerable erosion rate by greater than 2 times the tolerable rate.
C) All sites disturbed by the project shall be restored to appropriate species, variety, and density of vegetative cover, as recommended or determined by USDA/NRCS or USU Extension, when drilling site installation is completed.
D) No discharge or runoff of hydrocarbons from vehicles, drilling site, wells, tanks, nor any other source shall be permitted nor allowed which might enter waters of the state.
E) Project drilling site placements and all other ground disturbing activities shall be designed, engineered, and implemented to minimize crossing of and/or disturbance to streams, washes, gullies, arroyos, or other depressions where resulting erosion, damage to habitat, or degradation of water quality might result if

an accident were to occur.

F) Appropriate maintenance of pumping, extraction, drilling site, and all other facilities shall be ongoing for duration of lease to sustain ecological function including habitat, soil stability, vegetative cover, and prevention of damage to the environment including release or deposition of materials that are toxic or otherwise detrimental.

G) Upon ultimate termination of the lease in the future, drilling site and all other disturbances shall be appropriately removed and sites restored as closely as possible to equal or exceed beneficial vegetative cover, soil stability and soil permeability as existed prior to project implementation. A bond shall be provided to insure such restoration.

From: Robert Clark
To: Whitney, Diana
Date: 9/9/2005 9:59:54 AM
Subject: Comments in regard to RDCC # 5637-5639

The following comments are submitted in response to three short turn around items that appeared in this weeks RDCC memo from Carolyn Wright.

The item numbers are:
RDCC #5637 Little Pack Mountain 1-16-12-20 wildcat well in Uintah County,
RDCC #5638 Little Pack Mountain 7-32-12-20 wildcat well in Uintah County, and
RDCC #5639 Paradox Basin #1 wildcat well in Grand County.

The comments are applicable to all three RDCC items.

Comments begin: The proposed well drilling project may require a permit, known as an Approval Order, from the Utah Division of Air Quality if any compressor stations are constructed at the site. A permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, SLC, UT, 84116 for review according to the Utah Air Conservation Rule R307-400, Permits, Notice of Intent and Approval Order. The proposed well drilling project is subject to Utah Air Conservation Rule R307-205-3, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Division of Air Quality, but steps need to be taken to minimize fugitive dust, such as, watering and/or chemical stabilization, providing vegetative or synthetic cover and windbreaks. A copy of the rules are found at www.rules.utah.gov/publicat/code/r307/r307.htm . **Comments end.**
Robert ClarkDivision of Air Quality536-4435

CC: Mcneill, Dave; Wright, Carolyn

From: Ed Bonner
To: Whitney, Diana
Date: 9/22/2005 9:37:44 AM
Subject: Well Clearance

The following wells have been given cultural resource clearance by the Trust Lands Cultural Resources Group:

Enduring Resources, LLC
- Archy Bench 11-24-12-32
- Archy Bench 11-24-24-32
- Rainbow 12-24-12-16
- Rainbow 12-24-41-16

GLNA, LLC
- Paradox Basin #1

The Houston Exploration Company
- Little Pack Mountain 1-16-12-20
- Little Pack Mountain 7-32-12-20

Quaneco, LLC
- Murphy Ridge 7-32

Rosewood Resources
- Stirrup State 7-32

Westport Oil & Gas Company
- Bonanza 1023-2B (1 significant site which must be avoided)
- Bonanza 1023-2D
- Bonanza 1023-2H
- Bonanza 1023-16J

XTO Energy Inc
- State of Utah 17-8-18-14
- State of Utah 17-8-18-12

If you have any questions regarding this matter please give me a call.

CC: Garrison, LaVonne; Hill, Brad; Hunt, Gil

GLNA, LLC
1105 Yank Street
Golden, CO 80401-4224
garynydegger@comcast.net
303-237-2883
fax 303-238-1838

October 10, 2005

Maggie Wyatt
Office Manager
Bureau of Land Management
Moab Field Office
82 East Dogwood
Moab, Utah 84532

RE: Application for Federal ROW Access
1) Notice of Potential Vandalism and Sabotage of GLNA's Oil and Gas Operations and
2) an Open Invitation to Visit Our Oil and Gas Operation on State of Utah Lease in 2006

Via Fedex Envelope #847858758653

Dear Ms. Wyatt:

As part of GLNA's Application for Federal Right of Way access to drill a proposed exploration oil and gas well on State of Utah minerals, we would like to notify you of potential Cultural Resource Vandalism and Sabotage of our Oil and Gas Operations on our BLM-issued Oil and Gas Leases and State of Utah-issued Leases.

Previous seismic work in this area resulted in vandals or saboteurs, who "pulled" several hundred survey pins, wrapped the pins with flagging and neatly left under trees along surveyed source/receiver seismic lines and other flagging was placed to have our contractor's seismic source vehicles or "Vibra-Seis" trucks misdirected into a "flagged" potential archaeological (cultural resource) site, which Western Geophysical's Environmental Assessment (EA) work had discovered.

At this time:

1. GLNA has no knowledge of who they were or if they represented any group.
2. GLNA is "on-record" of notifying BLM that we are inviting your BLM rangers or surface management authority (SMA) to review and visit our operations at any time and as often as the BLM deems appropriate and that we anticipate the potential sabotaging of our access and drilling operations. Contact with the Grand County Sheriff and local county officials has been or will be made and notice of our operations will be provided to these public agencies as well as the BLM as we continue permitting, construction and drilling operations.

Here's to our mutual success.

Gary L. Nydegger, P.E., P.G.
President & Managing Member
GLNA, LLC

PRELIMINARY

EXHIBIT B - PLAN OF DEVELOPMENT
Federal RIGHT-OF-WAY
ROAD TO STATE OF UTAH MINERAL LEASE
Township 23 South, Ranges 22 & 23 East

V1.6

I. Introduction:

GLNA, LLC needs access to a State of Utah Mineral Lease in T. 23 S., R. 23 E., Section 16, to drill an oil and gas well. Access to the well would be as follows:

1. Beginning from Exit 193 on Interstate 70, Grand County Road Nos. 163 and 165 would be utilized for approximately 12 miles. The cattle guard on the dirt road heading south at Exit 193 on Interstate 70 is *utm, x = 620049 E, y = 4311167 N. to* the start of Federal ROW at T. 23 S., R. 22 E., section 9, NW/4 *(utm, x = 630502 E, y = 4298346 N).*

NOTE: All coordinates in this report are UTM NAD 83, ZONE 12.

2. A road right-of-way would be acquired from the BLM between T. 23 S., R. 22 E., section 9, NW/4 *(630502 E, 4298346 N)* and the south line of section 16, T. 23 S., R. 23 E. The well location in the state of Utah's section 16 is *(640902 E, 4295774 N).*

II. Grand County Roads Nos. 163 and 165:

1. The existing roads will be used and maintained in their present alignment.
2. Grand County maintains the road twice a year. GLNA would also provide road maintenance during drilling operations.
3. Existing heavy duty cattle guards provide an 18-foot wide travel surface in the fence crossings. Where necessary a barbed wire gate will be installed in the fence next to each cattle guard. The posts next to the gateway will be adequately braced to maintain the existing fence wire tension.

III. BLM Road Right-of-Way:

1. There is an existing road to section 16, and the existing road alignment has been utilized wherever possible.

2. The existing roadway is currently 15-30 feet wide. Before drilling operations, the road will be constructed approximately 18-20 feet wide. Existing road routes will be used unless directed by the BLM for reroutes as noted on the cultural resources study that has been previously submitted.

3. a. Reroute(s) for Cultural Resources. Existing road routes will be used unless directed by the BLM for reroutes as noted on **MOAC Report 05-71** dated June 20, 2005 previously submitted. The reroutes will be made as specified in the cultural resources study with BLM approval.

PRELIMINARY

b. REROUTE from "tee" junction on "East-West Sand Dune Road" (Road "triangle" in Section 21 SE/4) almost straight north on west side of the ridge. The reroute is approximately from *640640 E, 4294035 N to 640600 E, 4294227 N*

This reroute has been reviewed and flagged by our archaeological consultants and approved by field inspection on September 20, 2005 by Rich McClure from the BLM. From road "tee" slightly northeast (approx 12, reroute will stay on the west side near the top of the ridge and will follow contour to avoid creating low spots if possible. Reroute is approximately 800-900 feet long. Reroute is for direct access across sandy soil conditions and avoids building 2 large radius turns and a steep rocky pitch that would be difficult for heavy-duty trucks.

4. These are areas with short (usually 50-to-250 feet), steep pitches at or near the following points where roadwork may be necessary ***(UTM NAD 83, ZONE 12)***:

a. *(634669 E, 4296668 N)* short steep pitch, rocky, left turn at bottom
b. *(634749 E, 4296561 N)* short steep pitch, rocky, left turn at bottom *(634746 E, 4296482 N)*.
c. *(634862 E, 4296450 N), (634916 E, 4296414 N),* rutted, sandy crossings at base of the sandstone cliffs
d. *(634955 E, 4296378 N)* short pitch, will cut down humps, get better drainage where needed *(635017 E, 4296351 N)*
e. *(639377 E, 4293047 N)* steep pitch, rocky, one lip, will use rock to fill lows
f. *(639654 E, 4293323 N)* steep pitch, rocky, one lip, bring up to grade
g. *(640680 E, 4294266 N and 640707 E, 4294316N)* short pitches, some rock, fix drainage with water run outs
h. *(640781 E, 4294542 N and 640786 E, 4294712 N)* several spots on grade, short hillside, adjust slope and get better drainage as needed.

Existing road routes can be used on all these pitches. Native materials (clay, sand or gravel) will be used whenever possible (or pit run gravel may be hauled in) to maintain roadway on these steep pitches.

5. Turnouts for possible traffic and/or equipment storage will be made at triple junctions (road forks) and/or the top or bottom of short steep pitches as necessary. List of possible turnouts include:

a. *(634648 E, 4296698 N)* top of hill at the junction
b. *(634754 E, 4296618 N)* top of hill before steep pitch
c. *(638485 E, 4292985 N)* road is built up with clay soil across the sandstone.
d. *(639177 E 4292612 N)* triple juncture, left turn widen.
e. *(639638 E, 4293342 N)* triple juncture, right turn, uphill from steep pitch
f. *(640600 E, 4294227 N)* top of ridge with short pitch to north and end of new road access across from south, some rock.

g. *(640790 E, 4294446 N)* Road fork, low grade above "Two Knobs".
h. *(630502 E, 4298346 N)* fork, below "Two Knobs"
i. *(640997 E, 4295140 N)* Road fork add turnout if needed here, low grade.

5. Culverts. There may be need for a culvert(s) as the road crosses Seep Draw. Culverts will be added if neededat or near these locations. In a normal dry year, should have no work here.

(635200 E, 4296345 N) shallow drainage crosses road, dry, grade okay
(635350 E, 4296249 N) shallow drainage crosses road, dry
(635200 E, 4296345 N) shallow drainage crosses road, dry then short grade

6. Several areas with sandy soils on existing road routes. If the sandy areas do not support truck traffic, native materials (rock and clay) will be used for road surfaces.

7. No construction will occur when the soil is too wet to adequately support construction equipment. If such equipment creates ruts in excess of 6 inches deep, construction will cease until the soil is dry.

8. Cattle guards (18-feet wide) will be installed in the fence crossings in the following locations:

a. CG *(631801 E, 4297625 N)* T 23 S, R 22 E, Section 10, west section line, cattle guard should be okay, add or reinforce wire gate as needed.

b. CG *(636652 E, 4295190 N)* T 23 S, R 23 E, Section 19, section line NW/4 fence line with a busted gate, needs cattle guard and wire gate

c. CG #3 A third cattle guard between the other two may be needed or the old one refurbished and a wire gate added if needed.

A wire gate will be installed in the fence next to the cattle guard, and the posts will be adequately braced to maintain fence wire tension.

IV. Road Maintenance During Drilling Operations:

1. Drilling operations will require approximately 3 months. It is not feasible to curtail drilling traffic when roads are muddy or extremely dry and dusty.

2. If construction and drilling are occurring between April 1 and November 1, when dry weather conditions and heavy truck traffic would create dry, dusty road conditions; the road will be maintained using MgCl. A grader will be used to shape a crowned road surface, and MgCl water will be sprayed on the road surface. A replacement of CaCl2 may be used if a local source can be obtained.

3. If construction and drilling are occurring between November 1 and March 31, the following specifications would be utilized during freezing, thawing, and wet soil conditions: The roadway will be maintained to keep wet soils in the roadway. When wet soils are bladed and windrowed along the sides of the roadway and the soil berms reach 2-3 feet in height along the sides of the road, the soil berms will be pulled back into the roadway. Traffic will stay on the designated roadway.

V. Road Upgrading For Production Operations:

1. The road will be upgraded and widened as necessary to accommodate production traffic. It is anticipated that an 18 feet wide travel surface would be needed for tanker trucks to haul oil from the well sites.
2. Surface disturbance for a typical ditched and crowned roadway on level ground would be approximately 30 feet wide, and surface disturbances along hillsides with cut and fill slopes would be approximately 40-50 feet wide.
3. The road will be upgraded to the BLM Road Standards in the *Surface Operating Standards for Oil and Gas Exploration and Development "Gold Book"*. Road surfacing with pit-run gravel materials may be required if the road is utilized for yearlong production operations.
4. Alternate road upgrading and maintenance standards can be developed between the leaseholder and permit holder and BLM, as long there are provisions for meeting BLM goals and objectives for drainage and erosion control.

VI. Restoration After the Well is Plugged and Abandoned:

1. No reclamation will be needed on Grand County Road Nos. 163 and 165.
2. All portions of the existing road that were re-routed for the right-of-way would remain. Any road surfacing materials utilized on the roadway would be left on the roadways. The roads would be restored to their previous widths by scarifying and seeding one or both sides of the road.
3. Water bars will be constructed across the road to the spacing and cross sections specified by the authorized officer. Waterbars will be constructed to simulate the imaginary contour lines of the slope.
4. The reclaimed roadway will be seeded with pure live seed (PLS): 4 pounds per acre of fourwing saltbush, 4 pounds per acre of Indian rice grass, 3 pounds per acre of western wheatgrass, and 3 pounds per acre of shad scale. The seeding will be completed between October 1 and December 15.
5. Cattle guards will either be removed, or left in the roadway, depending on agreements with the county, BLM, or other landowners. The fences crossed during the new road construction will be reconstructed to meet or exceed the fence condition prior to road construction.

PRELIMINARY

VII. Other Requirements:

1. GLNA will inform all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, work that might further disturb such materials will be halted, and the BLM will be contacted.
2. GLNA will be responsible for weed control on the disturbed areas within the limits of the right-of-way. GLNA will be responsible for consultation with the authorized officer and/or local authorities for acceptable weed control methods (within limits imposed in the grant stipulations).

EXHIBIT A – GLNA PLAN OF DEVELOPMENT
Federal RIGHT-OF-WAY
September 2005
Page 2 of 3

shallow drainage crosses road, dry, grade okay
shallow drainage crosses road, dry
shallow drainage crosses road, dry then short grade

PRELIMINARY

LOCATION
T. 23 S., R. 23 E.,
section 16 640902 E. 4295774 N

STATE OF UTAH
MINERAL LEASE

SG 639654 E. 4293323 N
steep pitch, rocky, one lip, will use rock to fill lows

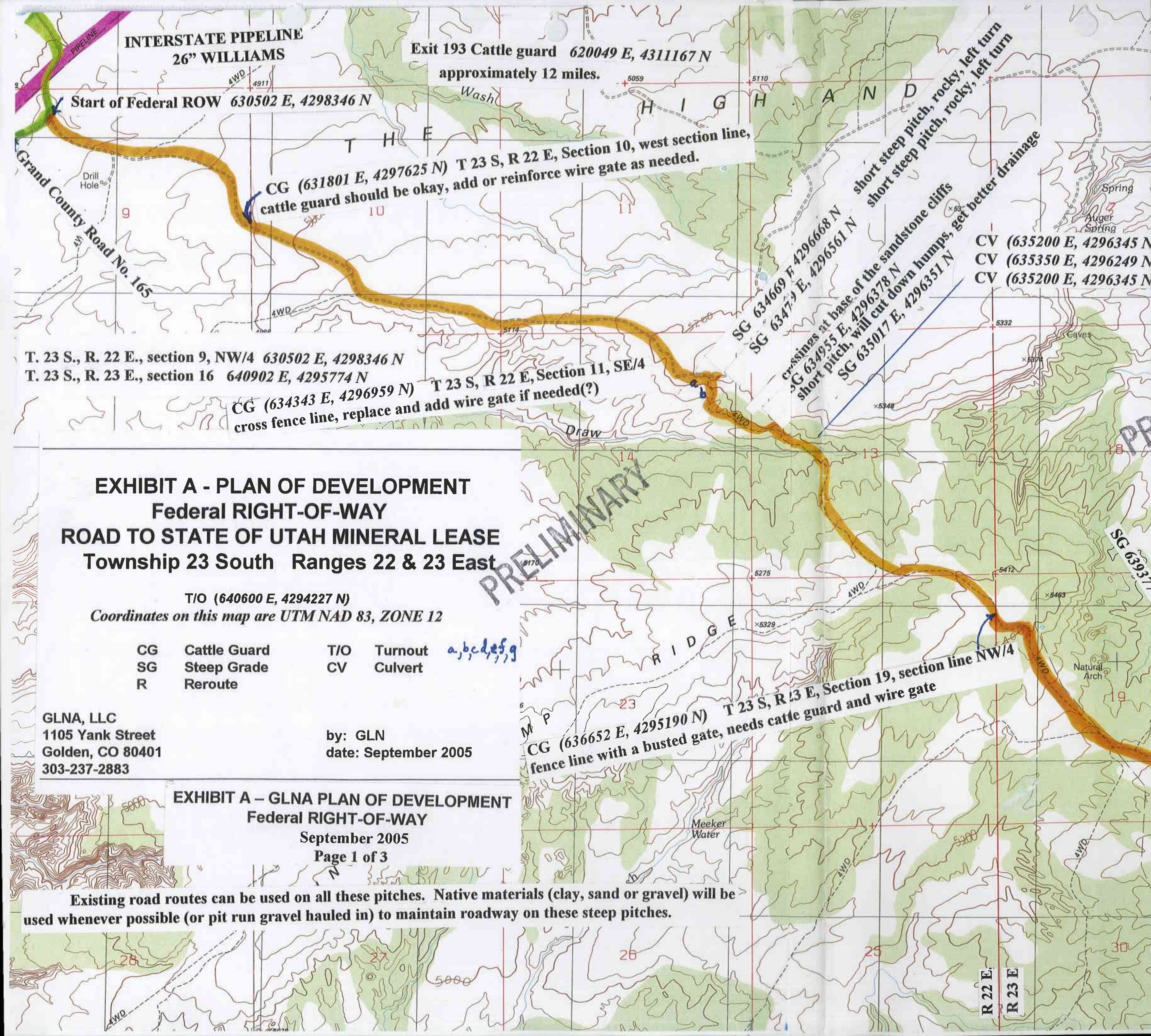
REROUTE from "tee" junction on "East-West Sand Dune Road" (Section 21 SE/4) slightly northeast on west side of the ridge. The reroute is approximately from 640640 E, 4294035 N to 640600 E, 4294227 N
steep pitch, rocky, one lip, bring up to grade

SG 640786 E, 4294712 N
SG 640781 E, 4294542 N
SG 640707 E, 4294316N
SG 640680 E, 4294266 N
short pitches, some rock, fix
drainage with water run out

Squaw Park
Yellow Canyon
Jacker Canyon
Tub Canyon
Ivan Canyon
Bull Canyon
Ninemile Bottom
COLORADO

EXHIBIT A – GLNA PLAN OF DEVELOPMENT
Federal RIGHT-OF-WAY
September 2005
Page 3 of 3

a. (a) T/O *(634648 E, 4296698 N)* top of hill at the junction
b. (b) T/O *(634754 E, 4296618 N)* top of hill before steep pitch
c. (c) T/O *(638485 E, 4292985 N)* road is built up with clay soil across the sandstone
d. (d) T/O *(639177 E 4292612 N)* triple juncture, left turn widen.
e. (e) T/O *(639638 E, 4293342 N)* triple juncture, right turn, uphill from steep pitch
f. (f) T/O *(640600 E, 4294227 N)* top of ridge with short pitch to north and end of new road access across from south, some rock.
g. (g) T/O *(640790 E, 4294446 N)* Road fork, low grade above "Two Knobs".
h. (h) T/O *(630502 E, 4298346 N)* fork, below "Two Knobs"
i. (i) T/O *(640997 E, 4295140 N)* Road fork add turnout if needed here, low grade.


INTERSTATE PIPELINE
26" WILLIAMS
PIPELINE
Exit 193 Cattle guard 620049 E, 4311167 N
approximately 12 miles.
Start of Federal ROW 630502 E, 4298346 N
4WD
4911
5059
5110
Wash
T H E
H I G H L A N D
Grand County Road No. 165
Drill Hole
9
10
11
CG (631801 E, 4297625 N) T 23 S, R 22 E, Section 10, west section line,
cattle guard should be okay, add or reinforce wire gate as needed.
short steep pitch, rocky, left turn
short steep pitch, rocky, left turn
SG 634669 E 4296668 N
SG 63479 E, 4296561 N
crossings at base of the sandstone cliffs
SG 634955 E, 4296378 N
short pitch, will cut down humps, get better drainage
SG 635017 E, 4296351 N
Spring
Auger Spring
7
CV (635200 E, 4296345 N
CV (635350 E, 4296249 N
CV (635200 E, 4296345 N
5114
5200
5332
Caves
5374
5348
T. 23 S., R. 22 E., section 9, NW/4 630502 E, 4298346 N
T. 23 S., R. 23 E., section 16 640902 E, 4295774 N
CG (634343 E, 4296959 N) T 23 S, R 22 E, Section 11, SE/4
cross fence line, replace and add wire gate if needed(?)
a b
Draw
14
13
18
PRELIMINARY
EXHIBIT A - PLAN OF DEVELOPMENT
Federal RIGHT-OF-WAY
ROAD TO STATE OF UTAH MINERAL LEASE
Township 23 South Ranges 22 & 23 East
T/O (640600 E, 4294227 N)
Coordinates on this map are UTM NAD 83, ZONE 12
CG Cattle Guard
SG Steep Grade
R Reroute
T/O Turnout a, b, c, d, e, f, g
CV Culvert
GLNA, LLC
1105 Yank Street
Golden, CO 80401
303-237-2883
by: GLN
date: September 2005
EXHIBIT A – GLNA PLAN OF DEVELOPMENT
Federal RIGHT-OF-WAY
September 2005
Page 1 of 3
5170
5275
5412
5463
5329
RIDGE
SG 63937
Natural Arch
19
23
CG (636652 E, 4295190 N) T 23 S, R 23 E, Section 19, section line NW/4
fence line with a busted gate, needs cattle guard and wire gate
Meeker Water
5000
5200
Existing road routes can be used on all these pitches. Native materials (clay, sand or gravel) will be
used whenever possible (or pit run gravel hauled in) to maintain roadway on these steep pitches.
28
27
26
25
30
R 22 E.
R 23 E

JAKE Oil, LLC

P. O. Box 80806
Billings, Montana 59108-0806
406-896-4953 Fax 406-896-4954

Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84116

November 28, 2005

RE: Cement Prognosis
GLNA, LLC
Paradox Basin #1 Well
S16 T23S R23E

Dear Department of Oil, Gas and Mining,

Per our telephone conversation, I have attached the cement proposal for the Paradox Basin #1 well in Grand County, UT.

Sincerely,

Jennifer L. Olsen

Attachments

Fluid Instructions

Fluid 1: Water Based Spacer

Water Spacer

Fluid Density:	8.34 lbm/gal
Fluid Volume:	20 bbl

Fluid 2: Lead Cement

Rockies LT

0.125 lbm/sk Poly-E-Flake (Lost Circulation Additive)

Fluid Weight	12.30 lbm/gal
Slurry Yield:	2.40 ft^3/sk
Total Mixing Fluid:	13.88 Gal/sk
Top of Fluid:	0 ft
Calculated Fill:	2250 ft
Volume:	337.08 bbl
Calculated Sacks:	787.91 sks
Proposed Sacks:	790 sks

Fluid 3: Tail Cement

Rockies LT

0.125 lbm/sk Poly-E-Flake (Lost Circulation Additive)

Fluid Weight	13.50 lbm/gal
Slurry Yield:	1.81 ft^3/sk
Total Mixing Fluid:	9.50 Gal/sk
Top of Fluid:	2250 ft
Calculated Fill:	250 ft
Volume:	43.95 bbl
Calculated Sacks:	136.62 sks
Proposed Sacks:	140 sks

Fluid 4: Mud

Water Displacement

Fluid Density:	8.33 lbm/gal
Fluid Volume	379.98 bbl

Fluid 5: Top Out Cement

Premium Cement

94 lbm/sk	Premium Cement (Cement)	Fluid Weight 15.80 lbm/gal
2 %	Calcium Chloride (Accelerator)	Slurry Yield: 1.17 ft^3/sk
		Total Mixing Fluid: 5.02 Gal/sk
		Proposed Sacks: 200 sks

Fluid Instructions
Fluid 1: Water Based Spacer
MUD FLUSH

Fluid Density:	8.40 lbm/gal
Fluid Volume:	40 bbl

Fluid 2: Lead Cement
Halliburton Light Premium

0.6 %	Halad(R)-322 (Low Fluid Loss Control)
0.1 %	FWCA (Free Water Control)
0.2 %	Versaset (Thixotropic Additive)
0.125 lbm/sk	Poly-E-Flake (Lost Circulation Additive)
0.2 %	HR-5 (Retarder)

Fluid Weight	12.70 lbm/gal
Slurry Yield:	1.81 ft^3/sk
Total Mixing Fluid:	9.65 Gal/sk
Top of Fluid:	5000 ft
Calculated Fill:	4800 ft
Volume:	401.62 bbl
Calculated Sacks:	1243.08 sks
Proposed Sacks:	1250 sks

Fluid 3: Tail Cement
50/50 Poz Premium

0.2 %	Halad(R)-344 (Low Fluid Loss Control)
0.2 %	Versaset (Thixotropic Additive)
0.1 %	CFR-3 (Dispersant)
0.125 lbm/sk	Poly-E-Flake (Lost Circulation Additive)
0.2 %	HR-5 (Retarder)

Fluid Weight	14.20 lbm/gal
Slurry Yield:	1.22 ft^3/sk
Total Mixing Fluid:	5.38 Gal/sk
Top of Fluid:	9800 ft
Calculated Fill:	1000 ft
Volume:	86.64 bbl
Calculated Sacks:	399.40 sks
Proposed Sacks:	400 sks

Fluid 4: Mud
Mud Displacement

Fluid Density:	lbm/gal
Fluid Volume	761.28 bbl

Please Note: Cement design will change as per testing and availability of materials.

Fluid Instructions
Fluid 1: Water Based Spacer
TUNED SPACER

		Fluid Density:	12.50 lbm/gal
206 lbm/bbl	Barite (Heavy Weight Additive)	Fluid Volume:	40 bbl

Fluid 2: Primary Cement
Premium Cement

		Fluid Weight	15.60 lbm/gal
94 lbm/sk	Premium Cement (Cement)	Slurry Yield:	1.56 ft^3/sk
0.5 %	Halad(R)-344 (Low Fluid Loss Control)	Total Mixing Fluid:	6.46 Gal/sk
35 %	SSA-1 (Additive Material)	Top of Fluid:	10500 ft
0.3 %	CFR-3 (Dispersant)	Calculated Fill:	4000 ft
0.3 %	HR-12 (Retarder)	Volume:	173.21 bbl
		Calculated Sacks:	624.60 sks
		Proposed Sacks:	630 sks

Fluid 3: Mud
Mud Displacement

Fluid Density:	0 lbm/gal
Fluid Volume	243.58 bbl

Please Note: Cement design will change as per testing and availability of materials.

JAKE Oil, LLC

P. O. Box 80806
Billings, Montana 59108-0806
406-896-4953 Fax 406-896-4954

Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84116

November 28, 2005

RE: Cement Prognosis
GLNA, LLC
Paradox Basin #1 Well
S16 T23S R23E

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Jennifer L. Olsen

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RECEIVED
DEC 0 1 2005
DIV. OF OIL, GAS & MINING

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Mud Displacement

		Fluid Density:	0 lbm/gal
		Fluid Volume	243.58 bbl

Please Note: Cement design will change as per testing and availability of materials.

GLNA, LLC

1105 Yank Street
Golden, CO 80401-4224

garynydegger@comcast.net

303-237-2883
fax 303-238-1838

August 16, 2005

Erlene Russell
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

RE: Application for Permit to Drill

Via Fax 801-359-3940

Dear Ms. Russell,

GLNA, LLC at 1105 Yank Street, Golden, Colorado will be the operator of the Paradox Basin #1 Wildcat in SE/4 Section 16, Township 23 South, Range 23 East. The monthly reporting for this well's future production will be handled by GLNA at the above address.

Thank you,

Gary L. Nydegger, P.E., P.G.
President & Managing Member

Professional Engineer
COLORADO No. 26279

SIPES
No. 1591

Professional Geologist
WYOMING No. 2150

GLNA, LLC

1105 Yank Street
Golden, CO 80401-4224

garynydegger@comcast.net

303-237-2883
fax 303-238-1838

November 28, 2005

State of Utah, Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Ste 1210
PO Box 145801
Salt Lake City, Utah 84114-5801

RE: Application for Permit to Drill
GLNA, LLC's Paradox Basin #1, API #43-019-31455
SWSE Section 16, T23S, R23E, Grand Co., Utah

Dear Sirs:

To finalize GLNA's (Operator No. N2850) application for a permit to drill, find the following documents enclosed:

1. Division of Water Rights Approval: We have the following water source for drilling our well: Permit #10004
   THOMPSON SPECIAL SERVICES DISTRICT
   PO Box 400010
   Thompson, UT 84540
2. We have formally requested an exception location for the subject well. The well was moved to its current location due to topographic problems (8-30-05 Letter).
3. GLNA will report the production information in answer to your previous question (8-16-05 Letter).
4. Cement program has been submitted via email November 28th and is enclosed
5. The $60,000 plugging bond (collateral) for our well is on Form 4b and documentation from US Bank-Downtown Denver Branch.
6. A copy of a letter addressed to Maggie Wyatt at the Moab BLM that was in our Federal access permit to your state lease. We are concerned about *potential* vandalism and sabotage of GLNA's Oil and Gas Operations based on activity during our partner Eclipse Exploration's seismic operations conducted by Western Geophysical in 2001-2002. This illegal activity occurred before any litigation but there is no direct evidence linking the two. Please consider this as an open invitation to visit our oil and gas operation on your lease at any time.
7. Cultural Resources Inventory is being sent to Ed Bonner at SITLA. Thanks.
8. As a courtesy, we have included a PRELIMINARY copy of our Federal ROW permit's Exhibits A and B from Section 16, T23S, R23E back to the west in Section 9 T23S, R22E. We estimate that the BLM will open this ROW for 30-day public comment from December through January.

Professional Engineer
COLORADO No. 26279

SIPES
No. 159

Professional Geologist
WYOMING No. 2150

We appreciate your attention to this matter. If you have any questions please contact:

Eric Olsen (JAKE Oil, LLC) 307-259-4858 between December 5th through the 9th.

Otherwise, please contact Gary Nydegger at the phone, letterhead or email address above. I'm in town through December 2nd and back in the 12th.

Eric will be down from Billings in the Green River-Moab area in early December for any field inspections or I can come over from Denver anytime after December 14th.

Please call if you have any questions Here's to our mutual success. Thank you,

Gary L. Nydegger, PE, PG
President & Managing Member
GLNA, LLC

GLNA, LLC

1105 Yank Street
Golden, CO 80401-4224

garynydegger@comcast.net

303-237-2883
fax 303-238-1838

December 16, 2005

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Ste 1210
PO Box 145801
Salt Lake City, Utah 84114-5801

RE: Application for Permit to Drill
Exception Location Request
GLNA Paradox Basin #1
Grand Co., Utah

Dear Ms. Whitney:

This is a formal request for exception location for the subject well. The well was moved to its current location due to topographic problems. In addition, all mineral interests within 460 feet of this location are controlled by GLNA, LLC and its partners on the drilling of this well. GLNA and our partners are in agreement on the drilling of this well and have no objections to the exception location.

We appreciate your attention to this matter. If you have any questions please contact me at the letterhead or email address.

Thank you,

Gary L. Nydegger, P.E., P.G.
President & Managing Member

Professional Engineer
COLORADO No. 26279

SIPES
No. 1591

Professional Geologist
WYOMING No. 2150

GLNA, LLC

1105 Yank Street
Golden, CO 80401-4224

garynydegger@comcast.net

303-237-2883
fax 303-238-1838

February 10, 2006

State of Utah, Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Ste 1210
PO Box 145801
Salt Lake City, Utah 84114-5801

RE: Application for Permit to Drill (Supplemental to Final V1.1)
GLNA, LLC's Paradox Basin #1, API #43-019-31455
SWSE Section 16, T23S, R23E, Grand Co., Utah

Dear Sirs:

To finalize GLNA's (Operator No. N2850) application for a permit to drill, find the following documents enclosed:

1. Hydrogen Sulfide Contingency Plan for GLNA, LLC
   Prepared by Oilind Safety.

2. Schematic of Blowout Prevention Equipment

Please call if you have any questions. Here's to our mutual success. Thank you,

Gary L. Nydegger, PE, PG
President & Managing Member
GLNA, LLC

Professional Engineer
COLORADO No. 26279

SIPES
No. 1591

Professional Geologist
WYOMING No. 2150

HYDROGEN SULFIDE CONTINGENCY PLAN

GLNA LLC
1105 Yank Street
Golden, Colorado 80401

Paradox Basin # 1
SE/4 S16 T23S R23E
1006' FSL 1729' FEL
Grand County, Utah

February 10, 2006

TABLE OF CONTENTS

CHECKLIST FOR DRILLING OR WORKOVER IN H2S ENVIRONMENT

Items 1-4 to be shown on site layout diagram

1. Two Safe Briefing areas 200 feet from wellhead, arranged so that at least one area will always be upwind of the well at all times--**Site Plan**

2. Direction of prevailing winds--**Site Plan** Note: Prevailing winds from the North or South. Safety equipment in place for either condition.

3. Wind sock location (Minimum of 2) --**Site Plan**

4. A secondary emergency escape route from the location (Flagged trail minimum) -- **Page 10 and Site Plan**

5. Number, types, and storage location of H2S respirators for personnel, and number of personnel to be expected at any one time--**Page 8 and Site Plan**

6. H2S Detectors locations (should at least include cellar or bell nipple and mud tanks at shale shaker). Type and location of audible, visual alarm to be used--**Page 11 and Site Plan**

7. H2S evacuation and emergency training procedures and frequency-- **Pages 7, 8, 9 & 10**

8. Area residents within 3,000 foot radius, and agencies to be notified in an emergency--**Emergency phone numbers**

9. Necessary types and quantities of mud additives and scavengers will be available at location for H2S operations.

10. Design features and operational procedures will be implemented to protect The drill string, casing strings, wellhead, BOP'S choke lines and manifold and other well-killing equipment in H2S environment.

11. Appropriate warning signs and flags on all access roads to location--**Site Plan**

12. Provision for blocking or monitoring access to location during critical operations--**Page 15**

13. Ventilation fan under rig floor--**Page 10**

14. In event of an uncontrollable blowout, on site personnel are authorized to ignite flow--**Page 16**

15. Swabbing or drill stem testing of fluids containing H2S should be through a separator to permit flaring of gas. Flare should have continuous pilot to ensure ignition of all such gas--**Page 11**

16. H2S Training: To begin 500 feet and/or three days before H2S zone
Page 6

GENERAL

DESCRIPTION OF HYDROGEN SULFIDE GAS

H2S is a colorless gas, which smells similar to rotten eggs in low concentrations. In large concentrations or over long periods of exposure, the sense of smell may be paralyzed. H2S is an extremely toxic gas that must be treated with extreme care to prevent injury to people. H2S is heavier than air (specific gravity =1.19) and on still days tends to accumulate in low places. This accumulation could build up and lead to dangerous concentrations. However, if the H2S gas is warmer than air, it will tend to rise until cooled off and could affect workers above the escaping source.

TOXICITY

Hydrogen sulfide is extremely toxic (poisonous). It is almost as toxic as hydrogen cyanide. It produces irritation to the eyes, throat and respiratory tract. The sense of smell can be lost in 2-15 minutes in low concentrations due to paralysis to the olfactory nerves. The sense of smell can be lost in 60 seconds or less in higher concentrations. Susceptibility to H2S poisoning varies to the number of exposures. The second exposure is being more dangerous than the first.

The results of inhalation of H2S may be strangulation in a few seconds of exposure to high H2S concentrations. This produces symptoms such as panting, pallor, cramps, paralysis of the pupil, and loss of speech. This is generally followed by immediate loss of consciousness. Death may occur quickly from respiratory and cardiac paralysis. One quick sniff of high concentration can cause death. Coughing, eye burning and pain, throat irritation, and sleepiness come from exposure to low concentrations.

The two following charts list some of the toxic characteristics of H2S.
(See following page)

TOXICITY OF HYDROGEN SULFIDE GAS

PARTS PER MILLION	GRAINS/100 Std. Cu. Ft.	
10 PPM=1/1,000 of 1%	0.65	Can smell safe for 8 hours exposure.
100 PPM=1/100 of 1%	6.48	Kills smell in 3-15 minutes. May sting eyes and throat.
200 PPM=2/100 of 1%	12.96	Kills smell shortly. stings eyes and throat.
500 PPM=5/100 of 1%	32.96	Loses sense of reasoning and balance. Respiratory paralysis in 30-40 minutes. Needs prompt artificial resuscitation. Will become unconscious quickly. (15 minutes)
700 PPM=7/100 of 1%	45.36	Breathing will stop, death will result if not rescued promptly. Immediate artificial resuscitation.
1,000 PPM=1/10 of 1%	64.80	Unconscious at once. **Permanent brain damage may result unless rescued promptly.**

H2S FIRST AID PROCEDURES

TREATMENT

1. Victim should be removed to fresh air immediately by rescuers wearing respiratory protective equipment. Protect yourself while rescuing.

2. If the victim is not breathing, begin immediately to apply artificial respiration. If a resuscitator is available, let another employee get it and prepare it for use.

3. Treat for shock by keeping victim warm and comfortable.

4. Call a doctor in all cases; victims of poisoning should be attended to by a physician.

DID YOU KNOW

THERE IS NO TIME TO WASTE
WHEN BREATHING STOPS!

RESCUE BREATHING MUST
BE STARTED FAST!

AFTER BREATHING HAS STOPPED FOR: THE CHANCES FOR LIFE ARE

1 MINUTE	98 OUT OF 100
2 MINUTES	92 OUT OF 100
3 MINUTES	72 OUT OF 100
4 MINUTES	50 OUT OF 100
5 MINUTES	25 OUT OF 100
6 MINUTES	11 OUT OF 100
7 MINUTES	8 OUT OF 100
8 MINUTES	5 OUT OF 100
9 MINUTES	2 OUT OF 100
10 MINUTES	1 OUT OF 100
11 MINUTES	1 OUT OF 1,000
12 MINUTES	1 OUT OF 10,000

Irreparable brain damage starts at about the 5th minute.

LEARN HOW TO USE
LIFE SAVING EQUIPMENT!

HYDROGEN SULFIDE CONTINGENCY PLAN

GLNA LLC COMPANY

This plan provides for personal safety programs, precautionary measures, safety equipment and emergency procedures, and sets forth responsibilities and duties pertaining to drilling in a sour gas area.

To be effective, the plan requires the cooperation and effort of each person participating in the drilling of an H2S well. Each person must know his responsibilities and duties in regard to normal drilling operations as well as emergency and safety procedures. He should thoroughly understand and be able to use with accuracy all safety equipment while performing his normal duties, if the circumstances should arise. He should therefore, familiarize him self with the location of all safety equipment and check to see that it is properly stored, easily accessible at all times, and routinely maintained.

It is the intention of **GLNA LLC**. and the drilling contractor to make every effort to provide adequate safeguards against harm to persons on the rig and in the immediate vicinity from the effects of hydrogen sulfide, which may be released into the atmosphere under emergency conditions. However, the initiative rest with the suggestions of the individuals involved in the drilling of these wells are highly welcomed and act as a fundamental tool for providing the safest working conditions possible.

The drilling foreman is required to enforce these procedures. They are set up for your safety and the safety of all others.

PURPOSE

It is **GLNA LLC**. intent to provide a safe work place, not only for its employees, but also for those other firms who are aiding in the drilling of this well.

There is a possibility of encountering toxic hydrogen sulfide gas. Safety procedures must be adhered to in order to protect all personnel connected with the operation, as well as people living within the area.

GLNA LLC'S foreman must enforce what may seem to be stringent requirements. This job will become easier. Carefully study the following pages and use **COMMON SENSE.**

OPERATING PROCEDURES

GENERAL

Before this H2S contingency plan becomes operational, the drilling contractor's personnel, necessary service company personnel, and the operator's personnel shall be thoroughly trained in the use of breathing equipment, emergency procedures, and H2S procedures. Initial H2S training shall be completed and all H2S related safety equipment shall be installed, tested and operational when drilling reaches a depth of 500 feet above, or three days, whichever is sooner, prior to penetrating the first zone containing or reasonably expected to contain H2S. **GLNA LLC** shall keep a list of all personnel who have been through the special training programs on the drill site. The Safety Company shall supply this list as the personnel are trained.

THROUGHOUT THIS CONTINGENCY PLAN, BREATHING APPARATUS SHALL BE UNDERSTOOD TO MEAN:

1) Self Contained Breathing Apparatus (Scott IIA or equivalent)
2) Scott Ska Pac Airline with 5 minute egress or equivalent.

The area within a 3,000 foot radius will be checked and phone numbers of residents will be recorded--See emergency phone numbers

A list of emergency phone numbers for company personnel to be contacted in case of an emergency will be posted at the following locations:

1) **GLNA LLC** foreman's trailer on the rig.
2) Drilling Contractors tool pusher office.

All safety equipment and related H2S related hardware must be set up as required by **GLNA LLC**. All safety equipment must be periodically inspected with particular attention to resuscitators and breathing air facilities.

All personnel on the drill site will be assigned breathing apparatus and if needed, personal detection devices. Operator and drilling contractor personnel required to work in the following areas will be provided with breathing equipment connected to a cascade air supply.

a. Rig Floor
b. Mud Pit
c. Derrick
d. Shale Shaker
e. Mud Hopper and Bulk Hopper
f. Any hazardous location will be accessible by hose and work pack.

All service companies to be used on the drill site will be notified of the potential hazard and will furnish safety equipment for their personnel. No service company employee will be allowed to work on the drill site without having breathing equipment and training.

The Oilind Safety Advisor will be responsible for installing the H2S continuos gas monitor detection system. In the event that H2S is detected, or when drilling in a zone containing H2S, the units will be tested every 12 hours. This monitor will be maintained and tested as required by the Oilind Safety Advisor.

DRILLS

Drills will be held as often as necessary to acquaint the crews and service company personnel with their responsibilities and the proper procedures to shut-in a well. After the **GLNA LLC** drilling foreman is satisfied with the drilling procedures, a drill will be conducted weekly for all personnel in each working crew. The initial training sessions shall include a review of the drilling operations plan.

An Oilind Safety Advisor will be on duty when drilling begins or as otherwise deemed necessary. He will conduct safety talks and instructions of the drilling foreman. All personnel allowed on the drill site during drilling or testing operations will be instructed in the use of breathing equipment until supervisory personnel are satisfied that they are capable of using it.

After familiarization, each rig crew should perform a drill with breathing equipment. The drill should include getting the breathing equipment, putting it on, and a short work period. A record shall be kept of the crew member's drill in the driver's log or equivalent.

Proper protective breathing apparatus shall be readily accessible to all essential personnel. Escape and pressure demand type equipment shall be provided for essential personnel in the H2S environment to maintain or regain control of the well. Rig crews and service company personnel shall be made aware of the location of spare air bottles, the resuscitation equipment, portable fire extinguishers, and H2S detectors. Knowledge of the location of the H2S monitor is vital in determining a sour gas location and the severity of the emergency. In addition, key personnel shall be trained in the use of a resuscitator.

Personal H2S detection devices shall be available for use by all working personnel. After any device has initially detected H2S, periodic inspections of areas of poor ventilation shall be made with a portable H2S detection instrument.

PROCEDURE PROGRAM

SAFETY PROGRAM

DRILL SITE

1. The drilling rig should be located to allow prevailing winds to blow across the rig toward the reserve pit.

2. Two briefing areas shall be designed for assembly of personnel during emergency conditions. The briefing areas will be located a minimum of 150 feet from the well bore and one of the briefing areas shall be upwind of the well at all times. The briefing area located most normally upwind shall be designated as the "Briefing Area". Personnel will assemble at the most upwind station under alarm conditions, or when so ordered by **GLNA LLC** foreman or the Oilind Safety advisor. Windsocks shall be installed at prominent locations and Shall be visible from all principal working areas at all times so that wind direction can easily be determined.

3. Warning signs will be posted on the access road to the location. "No Smoking" signs will be posted as well. The condition sign shall be placed a minimum of 200 feet but no more than 500 feet from the well site. When H2S is detected in excess of 10 PPM at any detection point, a red flag shall be displayed, and all personnel shall wear a Breathing Apparatus.

4. Swabbing or drill stem testing fluids containing H2S, will flow through a separator to permit flaring of gas. There will be a pilot light for any possible flared gas.

5. One multi-channel automatic H2S monitor will be provided by Oilind Safety the detector heads will be at the shale shaker, bell nipple, rig floor, and other hazardous areas. The H2S continuous monitor system shall automatically activate visible and audible alarms when the ambient air concentration H2S reaches limits of 10 and 20 PPM in the air, respectively. Should the alarm be shut off to silence the siren, the blinker light must continue to warn of H2S presence. The safety representative will continuously monitor the detectors and will reactivate the alarms if H2S concentrations increase to a dangerous level.

6. An escape road should be provided which is to be used only in an emergency.

7. Explosion proof electric fans (bug blowers) will be positioned to insure adequate circulation at all critical locations if necessary.

8. If available, commercial telephone service will be provided.

9. Road barricades will be used if necessary to block access to the location at all entrances at a safe distance from the well site. Under critical drilling and testing operations, gate guards will be used.

GENERAL

1. **GLNA LLC** drilling foreman residing at the well site will have complete charge of the rig operation and take whatever action is deemed necessary to insure personnel safety, to protect the well, and to prevent property damage.

2. An Oilind Safety advisor should be on location at all times when drilling at the depth H2S is expected.

H2S EMERGENCY PROCEDURES

OCCURRENCE

Light and siren are activated by H2S release.

PRIMARY PROCEDURE

All rig crew personnel and all auxiliary personnel are to **immediately** go to the nearest respiratory equipment and **MASK UP**.

Rig crew should preferentially mask up with work packs if feasible. All auxiliary personnel are to immediately proceed to upwind briefing area. When H2S is detected in excess of 10 PPM at any detection point, all non-essential personnel shall be moved to a safe area. All essential personnel necessary to maintain control of the well shall immediately mask up with breathing apparatus.

SECONDARY PROCEDURE

(See pages 12 thru 15)

Duties for H2S Alarm while Drilling

Driller	Don SCBA or SABA, sound the alarm, shut in Well. Once well is shut-in, proceed to upwind briefing area. Prepare for well kill/control procedures.
Derrick Man	Don SCBA, and proceed to floor and assist driller with shutting in the well. Once well is shut-in, proceed to upwind briefing area. Prepare to assist driller in well kill/control procedures.
Motorman	Don available Air/Egress pack and Proceed to upwind Briefing Area. Don SCBA and prepare with members of Team for search and rescue. Do not proceed until instructed by Company Representative
Floor Man # 1	Don available Air/Egress pack and Proceed to upwind briefing area. Don SCBA and prepare with members of Team for search and rescue. Do not proceed until instructed by Company Representative.
Floor Man # 2	Don available Air/Egress pack and proceed to upwind briefing Area. If proceeding to east briefing area warn all personnel in well site trailers. Don SCBA and prepare with members of team for search and rescue. Do not proceed until instructed by Company Representative.
Pitman	Don available Air/Egress pack and Proceed to upwind briefing area, Don SCBA and prepare with members of team for search and rescue. Do not proceed until instructed by Company Representative.
Company Representative	Don SCBA and proceed to upwind briefing area Prepare to initiate search and rescue team. Prepare to direct emergency response to well kill/control procedures.
Tool Pusher	Don SCBA and proceed to upwind briefing area. Prepare to assist Company Representative in well/kill control procedure.
Geologist	Don SCBA and Proceed to upwind briefing area. Standbys to assist search and rescue.
Non-Essential Personnel	Proceed to upwind briefing area with available Air/Egress Pac. Standby for instructions from Company Representative.

ON-duty H2S Specialist	Don SCBA, and proceed to doghouse to check H2S and LEL alarm station. With a backup handheld monitor, proceed to station and Confirm release.
Off-duty H2S Specialist	Don SCBA and proceed to upwind briefing area. Confirm head count with EMT. If proceeding to West briefing area, warn all personnel in well site trailers. Ensure ignition sources are turned off, and prepare to initiate and lead rescue team at direction of Company Representative.
Lease Control / EMT	Proceed to upwind Briefing Area with sign-in sheet. Medical personal standby at upwind Briefing Area

Duties for H2S Alarm while Tripping

Driller	Don SCBA or SABA, sound the alarm, install stabbing valve and shut-in well. Once well is shut-in, Proceed with floor personnel to upwind briefing area. Prepare for well kill/control procedures.
Derrick Man	Don SABA, connect to air supply and proceed down from derrick (if descending using egress bottle, proceed to upwind briefing area, don SCBA and prepare with members of team for search and rescue. Do not proceed until instructed by Company Representative.
Motorman	Don SABA, connects to air supply, and assists driller with installing stabbing valve and well shut-in. Once well is shut-in, proceed with other personnel to upwind briefing area. Prepare to assist driller in well kill/control procedures.
Floor Man # 1	Don SABA, connects to air supply, and assists Driller with installing stabbing valve and well shut-in. Once well is shut-in, proceed with other floor personnel to upwind briefing area. Prepare to assist driller in well kill/control
Floor Man # 2	Don SABA, and proceed to upwind briefing area using egress bottle. Don SCBA and prepare with members of team for search and rescue procedures. Do not proceed until instructed by Company Representative.
Pitman	Don Egress Pac and proceed to upwind briefing area. If proceeding to east briefing area, warn all personnel in well site trailers. Don SCBA and prepare with members of team for search and rescue. Do not proceed until instructed by Company Representative.
Company Representative	Don SCBA and proceed to upwind briefing area. Prepare to initiate search and rescue team. Prepare to direct emergency response to well kill/control procedures.
Tool Pusher	Don SCBA and proceed to upwind briefing area. Prepare to assist Company Representative in well/kill control procedures.
Geologist	Don SCBA proceed to upwind briefing area. Standby to assist searches and rescue.
Non-Essential Personnel	Proceed to upwind briefing area with available Air/Egress pack. Standby for instructions from Company Representative.

Note: Breathing Air System Should Be Turned On And Charged Prior To Tripping.

ON-duty H2S Specialist	Don SCBA and proceed to doghouse to check H2S and LEL alarm station, With a backup handheld monitor. Proceed to station and confirm release.
Off-duty H2S Specialist	Don SCBA and Proceed to upwind briefing area, confirm headcount with EMT. If proceeding to west briefing area, warn all personnel in well site trailers. Ensure ignition sources are turned off, and prepare to initiate and lead rescue team at direction of Company Representative.
Lease Control /EMT	Proceed to upwind Briefing Area with sign-in sheet. Medical personal standby at upwind Briefing Area

AUXILIARY PERSONNEL

1. **GLNA LLC** geologist and the mud engineer are designated wardens. They are responsible for accounting for ALL auxiliary personnel on location.

2. All auxiliary personnel are to remain at the up wind briefing area and obey the directions of the wardens.

3. The wardens are to organize, with the company mans concurrence, such personnel searches, using the "buddy system" as necessary. The geologist warden should remain at the briefing area. The mud engineer warden and a volunteer should conduct necessary searches.

IGNITING THE WELL

RESPONSIBILITY

1. The decision to ignite the well is the responsibility of **GLNA LLC'S** drilling foreman. In his absence or incapacity, the contractor's tool pusher assumes his responsibilities. In their absence or incapacity, the contract driller will be in charge.

2. The decision to ignite the well is to be made as a last resort when it is clear that.

   A. There is a definite threat to human life and property.
   B. There is no hope of containing the well under prevailing conditions.
   C. Time and circumstances permitting, an attempt should be made to notify the area office. If human life is threatened, the decision must not be delayed.

INSTRUCTIONS FOR IGNITING THE WELL

1. Two people are required for the actual igniting operation. Both men will wear self-contained breathing units and will have 200 foot retrieval ropes tied around their waist. One man is responsible for checking the atmosphere for explosive gases with an explosion meter. The other is assigned special duties within the "Safe Briefing Area". Those in the "Safe Briefing Area" will be on alert to the needs of the two men assigned to ignite the well. Should either of these men be overcome by fumes, they will immediately pull him to safety by the retrieval ropes.

2. The primary method for igniting the well is a 25mm meteor type flare gun. It has a range of approximately 500 feet. If this method fails or well conditions are such that a safer or better method is apparent, then the alternate method should be used.

3. If the well is ignited, the burning hydrogen sulfide will be converted to sulfur dioxide which is also poisonous. Therefore, DO NOT ASSUME THAT THE AREA IS SAFE AFTER THE GAS IS IGNITED. CONTINUE TO OBSERVE EMERGENCY PROCEDURES AND FOLLOW THE INSTRUCTIONS OF YOUR SUPERVISORS.

SAFETY EQUIPMENT TO BE PROVIDED

1 Safety trailer with cascade system of 10/300 cuft bottles of compressed breathing air complete with high-pressure manifolds.

6 45 cuft self-contained breathing apparatus (Scott)

6 Airline breathing apparatus complete with 7 cuft egress cylinders.

2 300 cuft bottles for one briefing area with refill equipment for 30 minute bottles.

2 Wind socks.

* H2S warning signs/briefing area signs

1 First aid kit

1 4'X4' condition warning sign with warning flags.

1 Three channel continuos H2S monitor with heads and cables.

1 Siren-Explosion proof.

1 Warning light-Explosion proof.

MAXIMUM NUMBER OF PEOPLE: 11 AT ANY ONE TIME

GLNA LLC
1105 Yank Street
Golden, Colorado 80401

Company Personnel to be Notified in Case of Emergency:

Gary Nydegger
President

303-237-2883 office
303-237-2883 home
303-238-1838 Fax
garynydegger@comcast.net

Oilind Safety Personnel to be Notified in Case of Emergency:

Worland, Utah Office
Aaron Chamberlain

307-347-4293
24 Hour Service

Denver, Colorado Office
Bill Myers

303-399-3319
24 Hour Service

Grand County, Utah

Local Authorities (Moab, Utah)

EMERGENCY	911
Sheriff	911 or 435-259-8115
Police	911 or 435-259-8938
Fire Department	911 or 435-259-5557
Hospital (Allen Memorial)	911 or 435-259-7191
Ambulance Service	911 or 435-259-7191
Air Ambulance out of Moab Utah	911 or 800-781-2959 800-648-3315

GOVERNMENT AGENCIES TO BE NOTIFIED IN CASE OF EMERGENCY

National Response Center	800-424-8802
EPA Region VIII & NRC / US Cost Guard	300-837-3880
US Coast Guard	314-425-4800
Bureau of Land Management (Moab)	435-259-2100
US Forest Service (Arches Nat'l Park)	435-719-2319
Utah Highway Patrol	435-259-5441
Utah Game & Fish Department	800-662-3337
Utah Occupation Safety & Health	801-530-6855

********** AREA RESIDENTS **********

N/A

********** NOTES **********

From: <ehoil@aol.com>
To: <garynydegger@comcast.net>
Date: 2/7/2006 4:07:41 PM
Subject: Re: Utah DOGM Engineer

BOP STACK ATTACHED WITH THIS EMAIL.

H2S CONTINGENCY PLAN TO FOLLOW IN SHORT ORDER.

Eric H. Olsen
JAKE Oil, LLC
406-896-4953 Tele
406-896-4954 Fax
307-259-4858 Cell

-----Original Message-----
From: garynydegger@comcast.net
To: ehoil@aol.com; jolsen839@aol.com
Sent: Tue, 7 Feb 2006 12:29:56 -0700
Subject: Utah DOGM Engineer

BOP stack
H2S Contingency go to:

clintondworshak@utah.gov

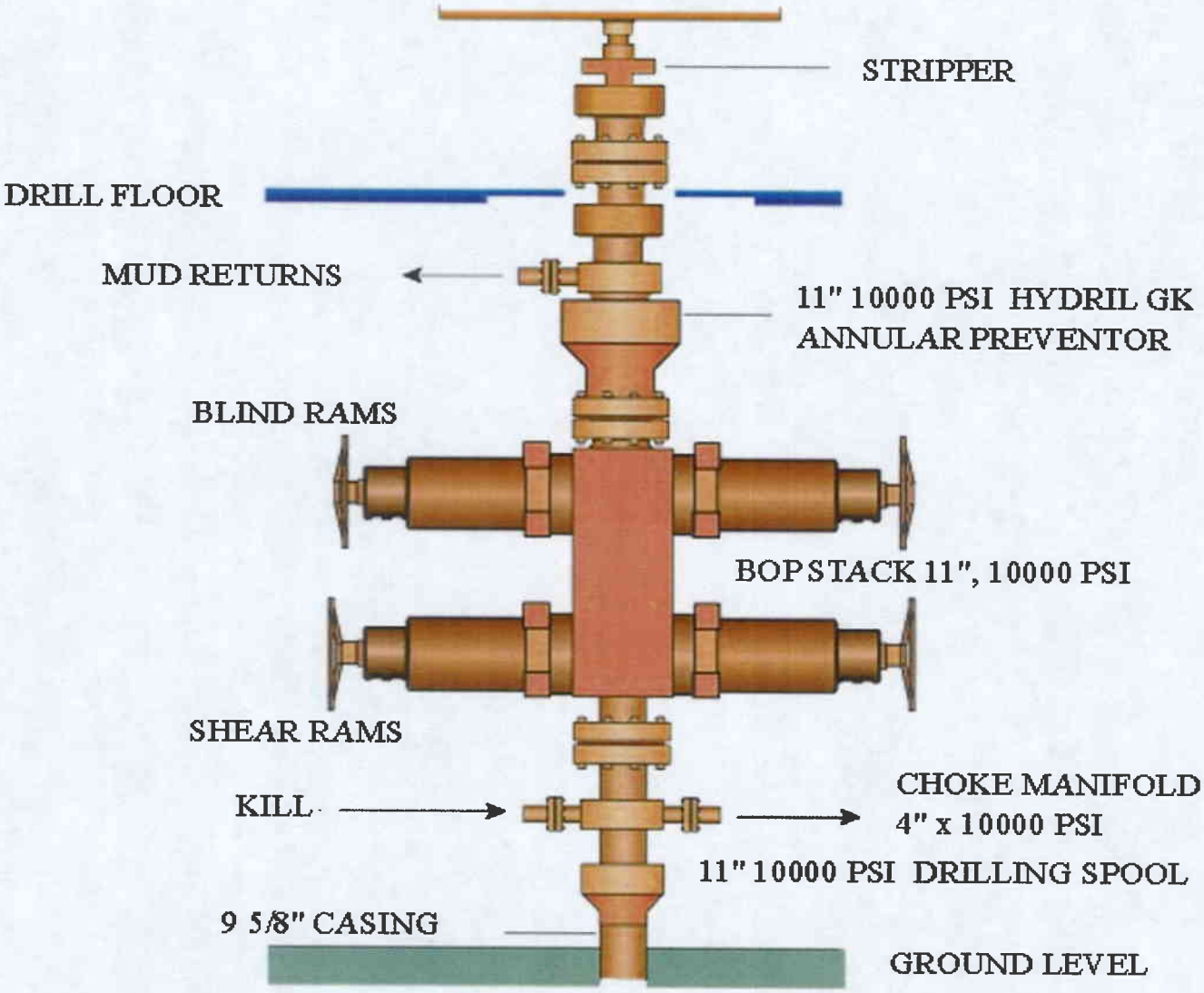
Thanks for handling
G

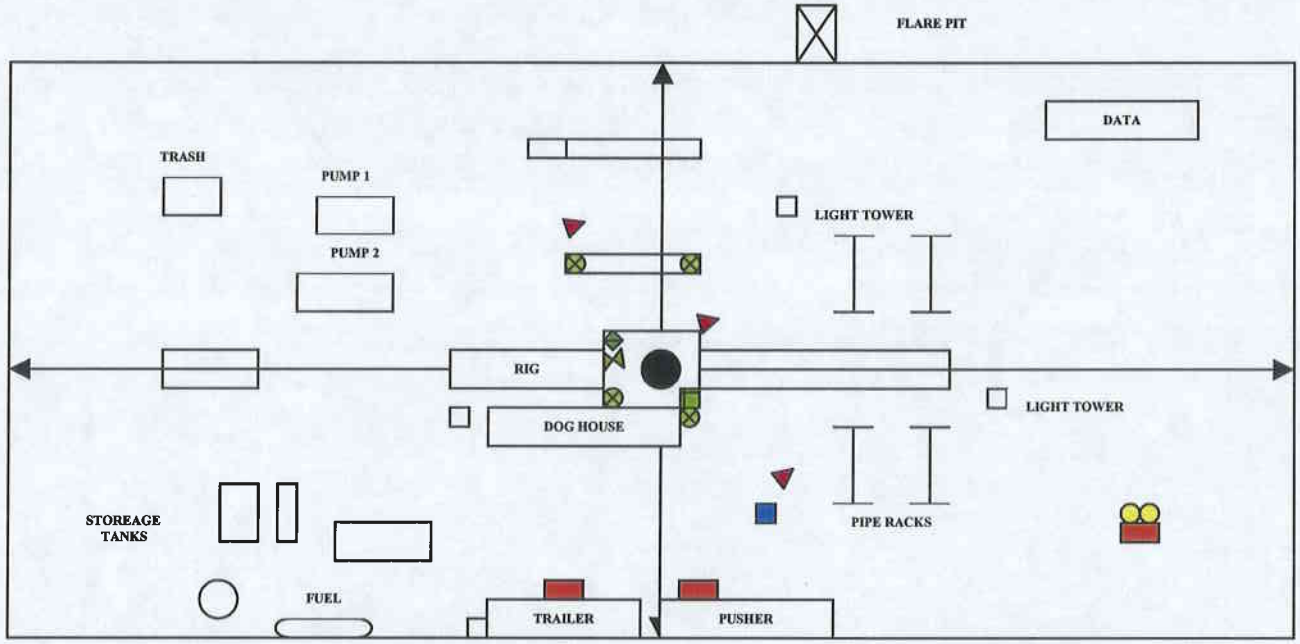
==========
Gary Nydegger, PE, PG
GLNA, LLC
303-237-2883
GaryNydegger@comcast.net

CC: <clintondworshak@utah.gov>

Schematic of Blowout Prevention Equipment

GLNA LLC
PARADOX BASIN #1
SWSE section 16-T23S-R23E
GRAND COUNTY, UTAH





KEY

- 30 MIN AIR PACK
- WIND SOCKS
- BREATHING AIR TRAILER
- WARNING SIREN
- WARNING LIGHT
- 2 BTL. CASCADE
- LOW PRESSURE MANIFOLD
- SENSOR HEADS FOR MONITORING

NOTE

CONTINOUIS H2S MONITORING HEADS LOCATED
HEAD # 1 – FLOOR
HEAD # 2 – SUBSTRUCTURE CLOSETO BOP
HEAD # 3 – SHALE SHAKER
HEAD # 4 – MUD TANKS
READ OUT INSTUMENT IN DOG HOUSE

FLARE PIT IS TO BE LOCATED A MINIUM OF 125' FROM THE WELL HEAD

PREVAILING WIND ARE GENURLY OUT OF THE SOUTH WEST

GLNA, LLC

1105 Yank Street
Golden, CO 80401-4224

garynydegger@comcast.net

303-237-2883
fax 303-238-1838

February 17, 2006

Dustin Doucet
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Via Email dustindoucet@utah.gov

RE: Application for Permit to Drill (Supplemental to Final V1.2)
GLNA, LLC's Paradox Basin #1, API #43-019-31455
SWSE Section 16, T23S, R23E, Grand Co., Utah

Dear Sir:

To finalize GLNA's (Operator No. N2850) application for a permit to drill, please change the casing plan as follows:

Surface Casing:
From 2500 ft, 13 3/8", J-55, 54.5# (2500 feet, 13 3/8-inch, grade (J-55), 54.5-lb)

Change to 500 ft, 13 3/8", J-55, 61# followed by 2000 ft, 13 3/8", J-55, 54.5#

Please call if you have any questions. Here's to our mutual success. Thank you,

Gary L. Nydegger, PE, PG
President & Managing Member
GLNA, LLC

ON-SITE PREDRILL EVALUATION
Division of Oil, Gas and Mining

OPERATOR: GNLA LLC
WELL NAME & NUMBER: Paradox Basin #1
API NUMBER: 43-019-31455
LEASE: State **FIELD/UNIT:** Wildcat
LOCATION: 1/4,1/4 SE/4 **Sec:** 16 **TWP:** 23 S **RNG:** 23 E 1006 FSL 1729 FEL
LEGAL WELL SITING: 460 F **SEC. LINE;** 460 F **1/4,1/4 LINE;** 920 F **ANOTHER WELL.**
GPS COORD (UTM): X =640968 E; Y =4295574 N **SURFACE OWNER:** SITLA

PARTICIPANTS

Bart Kettle(DOGM), Ted Smith (DOGM), Brad Hill (DOGM), Nathan Sill (DWR), Gary Troutmen (NPS), Gary Wakefield (NPS), Liz Thomas (SUWA), and Gary Nydegger (GNLA). Invited but choosing not to attend Ed Bonner (SITLA) and Jim Davis (SITLA).

REGIONAL/LOCAL SETTING & TOPOGRAPHY

Proposed location is roughly 21 miles southeast of the town of Thompson Springs, Grand County Utah. On a regional setting the well site is located in the transition zone between the regions generally referred to as the Bookcliffs and the Canyonlands Regions of the Colorado Plateau. Topography in these areas is generally a series of mesa's falling off into steep canyons comprised of alternating layers of sandstone, shale and clays. The climate within this region is arid, and the vegetation is generally sparse at the lower elevations. Annual precipitation at the well site is 8-10" zone, and vegetation would be described as blackbrush and pinyon/juniper woodlands. Topography immediately adjacent to the well is alternating series of sandy deposits and sandstone ledges. Water drainage is to the east entering the Colorado River within five miles. There were no perennial streams or springs observed in close proximity to the location. Drainages in the immediate area are ephemeral in nature, being dry throughout much of the year, but containing flows during intense rain events.

SURFACE USE PLAN

CURRENT SURFACE USE: Winter cattle grazing, wildlife habitat, seasonal OHV recreation.

PROPOSED SURFACE DISTURBANCE: 400' x 400' for well pad, 630' of newly constructed road, running surface will be 20'.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: None

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: Production facilities such as separators, dehydrators and tanks will be located on location.

SOURCE OF CONSTRUCTION MATERIAL: On-site

ANCILLARY FACILITIES: A camp is planned on the well pad through the completion of drilling for rig crew and associated service providers. No facilities are anticipated off of location.

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST OR CONCERNS? (EXPLAIN): Drilling at this location has the potential to generate considerable public interest due to the scrutiny being placed on drilling activities within the Canyonlands Region of the Colorado Plateau and it's proximity to Arches National Park. During the on-site concerns were brought forward that drilling at this location could affect the following resources found at Arches National Park: water quality and quantity, air quality, solitude, and derrick lighting could affect views of desert nights.

WASTE MANAGEMENT PLAN:

Garbage and other trash will be contained in an acceptable trash container. Refuse from drilling and man camp will be transported to an approved sanitary landfill. Chemical toilet will be placed on location and sewage will be disposed of an appropriate disposal site.

Reserve pit will be fenced on three sides prior to use and on the forth side upon removal of drilling rig. Drill cuttings will be constrained in the reserve pit.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: No flood plains or wetlands affected.

FLORA/FAUNA: Mule deer, desert bighorns, cottontail rabbits, blacktail jackrabbits, songbirds, raptors, rodents, snakes and lizards. Grasses: Indian rice grass, poa spp, and cheat grass Forbs: Penny cress, low larkspur, princes plume, and scorpion weed. Shrubs: Blackbrush, Mormon tea, fourwing saltbrush, Wyoming sage, Fremont barberry, broom snakeweed, long flower snowberry, cliffrose, buckwheat spp. Trees: Utah Juniper, two needle pinyon pine, and single leaf ash. Other: cactus spp.

SOIL TYPE AND CHARACTERISTICS: Wind blown sands and silty sands ranging in color from a deep red to light orange. White sandstone outcrops.

SURFACE FORMATION & CHARACTERISTICS: Well site sits at the transition between the Entrada sandstone and the Navajo sandstone. Formations are dipping to the north at this location.

EROSION/SEDIMENTATION/STABILITY: Soils are prone to wind and water erosion due to lack of vegetation. Initially some additional erosion may occur as a result of road and pad construction. Long-term, excessive sedimentation as a result of construction is not expected.

PALEONTOLOGICAL POTENTIAL: None noted

RESERVE PIT

CHARACTERISTICS: 100'x100'x8'

LINER REQUIREMENTS (Site Ranking Form attached): Liner is required. Fractured rock created during the construction of the reserve pit may require additional padding to prevent liner from being punctured.

SURFACE RESTORATION/RECLAMATION PLAN

All surface areas not required for producing operations will be graded to as near original condition as possible and contoured to maintain possible erosion to a minimum. Stockpiles topsoil will be evenly distributed over the disturbed areas and the area will be reseeded as prescribed by the landowner.

SURFACE AGREEMENT: As per SITLA mineral lease.

CULTURAL RESOURCES/ARCHAEOLOGY: None observed.

OTHER OBSERVATIONS/COMMENTS

Division of Wildlife Resources stated no wildlife concerns at this location, it is not considered big game habitat. National Park Service was concerned that lighting from the derrick could create visual impacts to Arches National Park at night. Dark shies are considered one of the resources of Arches National Park. SUWA was also concerned that lighting of rig derrick will adversely impact visual resources of Arches National Park and surrounding areas. In addition SUWA was concerned about noise pollution from the drilling rig on the park; as to the party that would be responsible for the monitoring of noise created from drilling operations; that water quality and quantity would be altered by drilling of well; the source of drilling water; that proper T&E survey's had not been conducted for Mexican Spotted Owl; that the combinations of wells, drilling rigs and the traffic associated with them may impact the air quality of the region; questioned bonding on well, if bond placed on well was enough to plug well if required; affects of venting of natural gas. If natural gas is to be sold, they are interested in the placement and plans for a pipeline. SUWA was concerned about right-of-way surface disturbance and it's affects of wildlife, erosion and view-shed. Reserve pit would require fencing to prevent livestock from entering. Hole is expected to be a 90 day hole plus or minus ten days. It is expected that it will take 40,000 barrels of water to drill hole, roughly 200 truck loads.

ATTACHMENTS

Photos of this location were taken and placed on file.

Bart Kettle	January 24, 2006 3:32 p.m.
DOGM REPRESENTATIVE	DATE/TIME

Evaluation Ranking Criteria and Ranking Score
For Reserve and Onsite Pit Liner Requirements

Site-Specific Factors	Ranking	Site Ranking
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	5
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	0
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	0
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	0
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	20
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid containing significant levels of hazardous constituents	15 20	5
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	0
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	0
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	0
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	0

Final Score 30 (Level I Sensitivity)

Sensitivity Level I = 20 or more; total containment is required, consider criteria for excluding pit use.
Sensitivity Level II = 15-19; lining is discretionary.
Sensitivity Level III = below 15; no specific lining is required.

1. Fence Reserve Pit on three sides while drilling, with the fourth side being fenced upon the removal of the drilling rig.
2. A synthetic liner with a minimum thickness of 12 mils with a felt subliner shall be properly installed and maintained in the reserve pit.
3. Silt fences or another type of sediment control shall be placed in drainages on the downhill side of the location.


JAN 11 2006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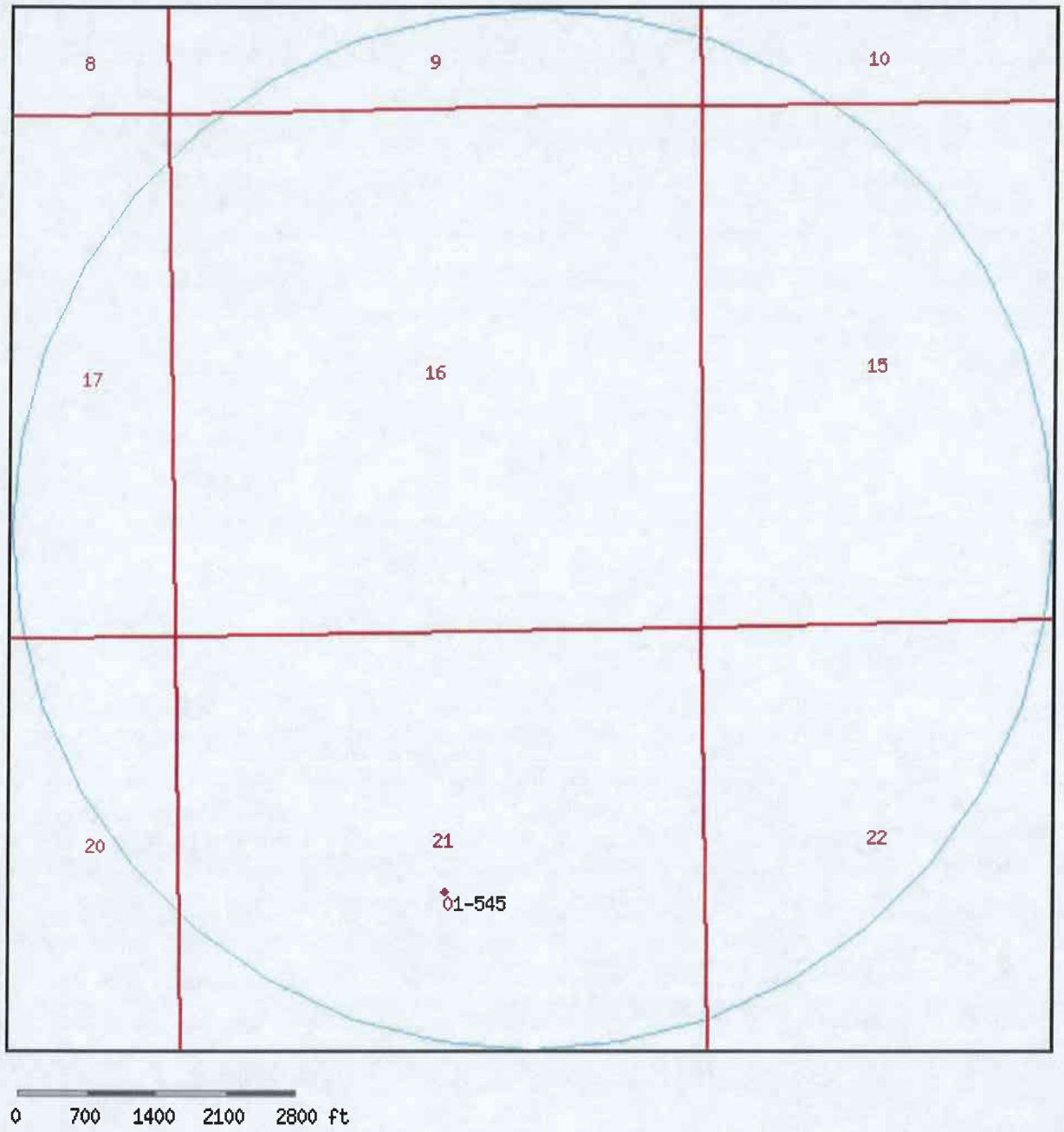


Water Rights

WR Number	Diversion Type/Location	Well Log	Status	Priority	Uses	CFS	ACFT	Owner Name
01-545	Point to Point		P	18790000	OS	0.000	0.000	MOAB DISTRICT USA BUREAU OF LAND MANAGEMENT
	0 0 21 23S 23E SL							P.O. BOX 970

UTAH DIVISION OF WATER RIGHTS

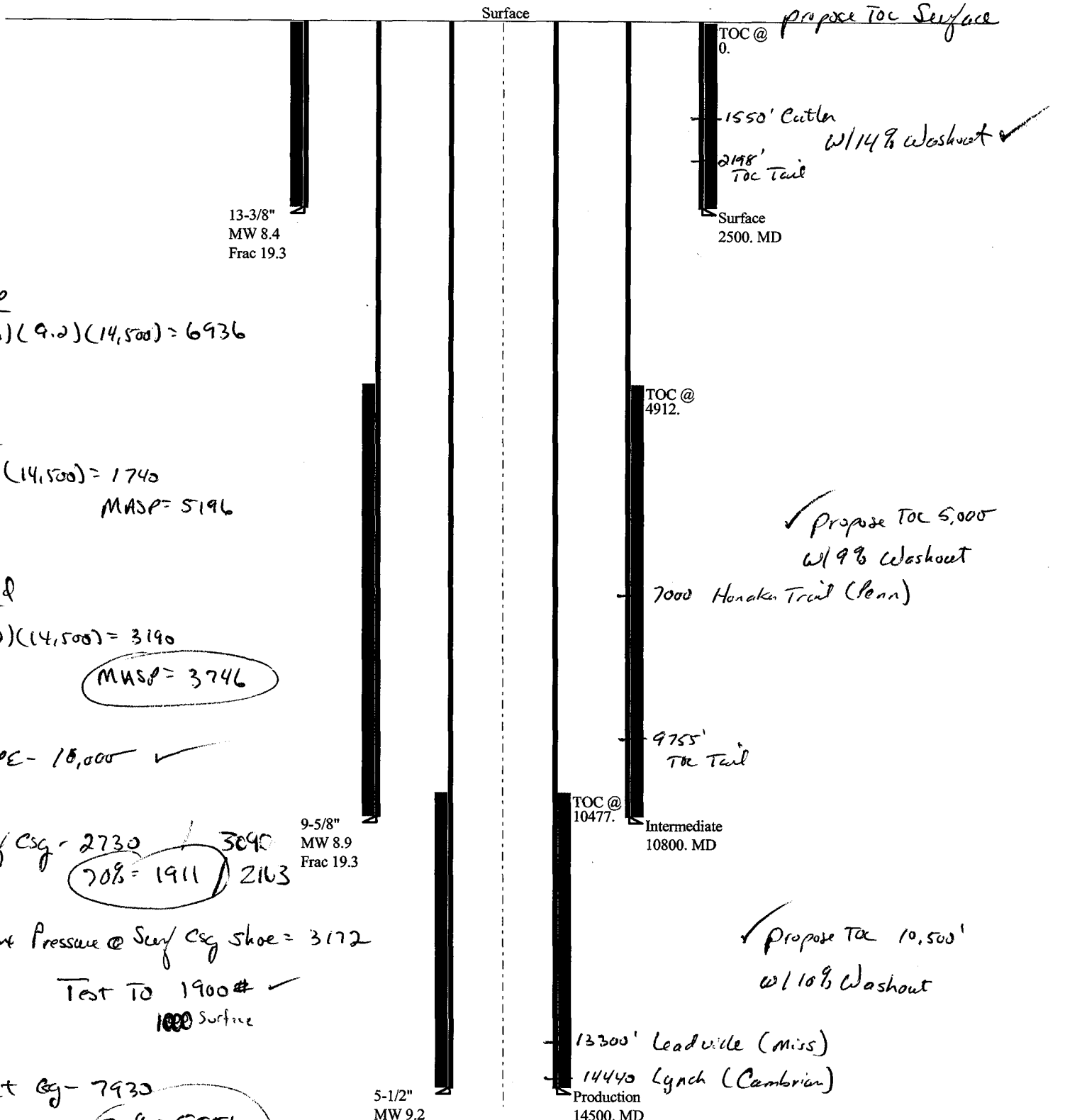
WRPLAT Program Output Listing

Version: 2004.12.30.00 Rundate: 01/24/2006 05:09 PM

Radius search of 5280 feet from a point N1006 W1729 from the SE corner, section 16, Township 23S, Range 23E, SL b&m Criteria:wrtypes=W,C,E podtypes=all status=U,A,P usetypes=all

01-06 GLNA Paradox Basin

Casing Schematic



BHP

(.052)(9.2)(14,500) = 6936

Gas

(.12)(14,500) = 1740

MASP = 5196

Fluid

(.22)(14,500) = 3190

MASP = 3746

BOPE - 10,000 ✓

Surf Csg - 2730 / 3090

70% = 1911 / 2163

Max Pressure @ Surf Csg shoe = 3172

Test To 1900# ✓

1000 Surface

Int Csg - 7930

70% = 5551

Max pressure @ Int Csg shoe = 6122

Test To 5500# ✓

900 surface

✓ Adequate DKD 2/15/06

Well name:	**01-06 GLNA Paradox Basin 1**
Operator:	[redacted]
String type:	Surface
Location:	Grand County
Project ID:	43-019-31455

Design parameters:

Collapse
Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 2,200 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 2,500 psi

No backup mud specified.

Minimum design factors:

Collapse:
Design factor 1.125

Burst:
Design factor 1.00

Tension:
8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.
Neutral point: 2,215 ft

Environment:
H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 100 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 250 ft

Cement top: Surface

Non-directional string.

Re subsequent strings:
Next setting depth: 10,800 ft
Next mud weight: 8.900 ppg
Next setting BHP: 4,993 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 2,500 ft
Injection pressure 2,500 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft^3)
2	2000	13.375	54.50	J-55	Buttress	2000	2000	12.49	215.5
1	500	13.375	61.00	J-55	Buttress	2500	2500	12.39	60.7

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
2	873	1126	1.291	2440	2730	1.12	122	853	6.99 B
1	1091	1540	1.412	2500	3090	1.24	13	962	73.22 B

Prepared by: Clinton Dworshak
Utah Div. of Oil & Mining
Phone: 801-538-5280
FAX: 810-359-3940
Date: February 17,2006
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 2500 ft, a mud weight of 8.4 ppg The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	**01-06 GLNA Paradox Basin 1**
Operator:	[redacted]
String type:	Intermediate
Location:	Grand County
Project ID:	43-019-31455

Design parameters:

Collapse
Mud weight: 8.900 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 5,190 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 6,486 psi

No backup mud specified.

Minimum design factors:

Collapse:
Design factor 1.125

Burst:
Design factor 1.00

Tension:
8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.
Neutral point: 9,349 ft

Environment:
H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 216 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: 4,912 ft

Non-directional string.

Re subsequent strings:
Next setting depth: 14,500 ft
Next mud weight: 9.200 ppg
Next setting BHP: 6,930 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 10,800 ft
Injection pressure 10,800 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft^3)
1	10800	9.625	53.50	N-80	Buttress	10800	10800	8.5	1166

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	4993	6620	1.326	6486	7930	1.22	500	1244	2.49 B

Prepared by: Clinton Dworshak
Utah Div. of Oil & Mining
Phone: 801-538-5280
FAX: 810-359-3940
Date: February 13,2006
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 10800 ft, a mud weight of 8.9 ppg The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	**01-06 GLNA Paradox Basin 1**
Operator:	[redacted]
String type:	Production
Location:	Grand County
Project ID:	43-019-31455

Design parameters:

Collapse
Mud weight: 9.200 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 2,986 psi
Internal gradient: 0.272 psi/ft
Calculated BHP 6,930 psi

No backup mud specified.

Minimum design factors:

Collapse:
Design factor 1.125

Burst:
Design factor 1.00

Tension:
8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.
Neutral point: 12,502 ft

Environment:
H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 268 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: 10,477 ft

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft^3)
1	14500	5.5	23.00	N-80	Buttress	14500	14500	4.545	667.6

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	6930	11160	1.610	6930	8990	1.30	288	530	1.84 B

Prepared by: Clinton Dworshak, Utah Div. of Oil & Mining
Phone: 801-538-5280
FAX: 810-359-3940
Date: February 13,2006
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 14500 ft, a mud weight of 9.2 ppg The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

February 22, 2006

To: Gil Hunt
Utah Division of Oil, Gas, and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

From: Moab BLM Field Office
Rich McClure (435 - 259 - 2127)

Re: GLNA, LLC
Paradox Basin 1 Well (State Surface/State Minerals)
API No. 43-019-31455
T. 23 S., R. 23 E., section 16
Grand County, Utah

FYI -

GLNA needed a road right-of-way from BLM to access the state section, and BLM prepared an EA on the road right-of-way.

Attached is a copy of the EA that will be receiving public review and comment from February 22 through March 23, 2006.

We have been working with Bart Kettle on this project.

Please call me if you need any additional information. Rich

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY

Copies mailed: Bart Kettle
Utah Division of Oil, Gas, and Mining
455 West Railroad Ave.
Price, Utah 84501

RECEIVED
FEB 27 2006
DIV. OF OIL, GAS & MINING

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Moab Field Office
82 East Dogwood
Moab, Utah 84532

TAKE PRIDE IN AMERICA

1790
(UT-062)

FEB 22 2006

Dear Reader:

The Moab Field Office of the Bureau of Land Management (BLM) has prepared Environmental Assessment (EA) No. UT-060-2006-007 for GLNA, LLC's application for Road Right-of-Way UTU-82648. The road right-of-way would provide access to an oil and gas well site on state lands in T. 23 S., R. 23 E., section 16. The road right-of-way would cross public lands managed by BLM in the areas of Fish Seep Draw, Tub Canyon, and Trail Canyon.

EA No. UT-060-2006-007 will be available for a 30-day public comment period beginning February 22, 2006. Written comments on the EA will be accepted by the Moab Field Office, 82 East Dogwood, Moab, Utah 84532, until close of business on March 23, 2006. Thank you for your interest and participation.

Sincerely yours,

A Lynn Jackson

Assistant Field Manager
Division of Resources

Enclosures
1. FONSI
2. EA No. UT-060-2006-007

FINDING OF NO SIGNIFICANT IMPACT (FONSI)

ENVIRONMENTAL ASSESSMENT (EA) No. UT - 060 - 2006 - 007
Road Right-of-Way for the Paradox Basin 1 Well

This unsigned FONSI and the attached EA No. UT - 060 - 2006 - 007 for GLNA, LLC's application for Road Right-of-Way UTU-82648 to access an oil and gas well site on state lands in T. 23 S., R. 23 E., section 16, is available for public review and comment for 30 days beginning on February 22, 2006.

Based on the analysis of potential environmental impacts in the attached EA and consideration of the significance criteria in 40 CFR 1508.27, I have determined that with required and proposed mitigating measures the approval of Road Right-of-Way UTU-82648 would not result in significant impacts on the human environment. An environmental impact statement (EIS) is not required.

The decision to approve or deny the road right-of-way, and if appropriate a signed FONSI with rationale, will be released after consideration of public comments and completion of the EA.

United States Department of the Interior
Bureau of Land Management

February 22, 2006

Environmental Assessment UT-060-2006-007

Road Right-of-Way for the Paradox Basin 1 Well

Location: *T. 23 S., R. 22 E., sections 9-11, 13, 14, 24, and*
T. 23 S., R. 23 E., sections 19, 21, 28, 29, 30.

Applicant/Address: GLNA, LLC/ Golden, Colorado 80401

U.S. Department of the Interior
Bureau of Land Management
Moab Field Office
82 East Dogwood Avenue, Moab, Utah 84532
Phone: (435) 259-2100
FAX: (435) 259- 2106

Road Right-of-Way for the Paradox Basin 1 Well
UT-060-2006-007

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APPENDICES

Road Right-of-Way for the Paradox Basin 1 Well
UT - 060 - 2006 - 007

1.0 PURPOSE & NEED

1.1 Introduction:

This Environmental Assessment (EA) has been prepared to analyze GLNA, LLC's (GLNA) application for a road right-of-way to access an oil and gas well site on state lands in T. 23 S., R. 23 E., section 16, Grand County, Utah. The EA is a site-specific analysis of potential impacts that could result with the implementation of a proposed action or alternatives to the proposed action. The EA assists the BLM in project planning and ensuring compliance with the National Environmental Policy Act (NEPA), and in making a determination as to whether any "significant" impacts could result from the analyzed actions. "Significance" is defined by NEPA and is found in regulation 40 CFR 1508.27. An EA provides evidence for determining whether to prepare an Environmental Impact Statement (EIS) or a statement of "Finding of No Significant Impact" (FONSI). A Decision Record (DR), which includes a FONSI statement, is a document that briefly presents the reasons why implementations of the proposed action will not result in "significant" environmental impacts (effects) beyond those already addressed in the Grand Resource Management Plan, July, 1985. If the decision maker determines that this project has "significant" impacts following the analysis in the EA, then an EIS would be prepared for the project. If not, a Decision Record (DR) may be signed for the EA approving the alternative selected.

1.2 Background:

GLNA filed an Application for Permit to Drill (APD) with the Utah Division of Oil, Gas, and Mining to drill the Paradox Basin 1 Well on state land and state minerals in T. 23 S., R. 23 E., section 16. Access to the Paradox Basin 1 Well would be from Exit 193 (Yellow Cat Exit) on Interstate 70, on Grand County Road Nos. 163 and 165, and along other roads and jeep trails in the areas of Fish Seep Draw, Tub Canyon, and Trail Canyon. The proposed access to the state land would utilize existing roads and jeep trails for approximately 22.2 miles. The roads and jeep trails cross public lands managed by the Moab Field Office of the Bureau of Land Management (BLM), and a road right-of-way would be required from BLM for approximately 10.2 miles of the proposed road route to the Paradox Basin 1 Well.

On August 1, 2005, GLNA filed an application with BLM for a road right-of-way to access the Paradox Basin 1 Well. The application was serialized as Road Right-of-Way UTU-82648. Road Right-of-Way would be 10.2 miles long and 35 feet wide. Approximately 2,800 feet of new road construction would be authorized for re-routing portions of the road. The roads utilized for the GLNA right-of-way are associated with the road and jeep trail system providing access to areas east of Arches National Park, northwest of the Colorado River, and south of the Highlands and Yellow Jacket Canyon. Within the project area, the existing roads are currently being maintained 12-18 feet wide, and the jeep trails are 8-10 feet wide and not being maintained. A map of the GLNA road right-of-way is attached in Appendix B.

Access between I-70 and the road right-of-way from BLM would be provided by Grand County Roads Nos. 163 and 165. GLNA would not be required to get a right-of-way from BLM for the use of Grand County Roads Nos. 163 and 165. County Road Nos. 163 and 165 are Class B roads that have been upgraded and maintained on a regular basis for public access. These county roads are authorized by BLM Right-of-Way UTU-57097.

1.3 Need for the Proposed Action:

The need for the proposed action is for GLNA to access state lands for exploration of State Mineral Lease ML-47365. A road right-of-way would be needed from BLM to reach state lands for the construction and maintenance of a road and well pad to drill, produce and eventually plug/abandon the Paradox Basin 1 Well on Mineral Lease ML-47365. In order to drill the well, the road would need to be constructed, upgraded, and maintained to a level that would support tractor trailer truck traffic. The Paradox Basin 1 Well would be an exploratory well, and if successful, would produce commercial quantities of oil and or gas from the state lease.

1.4 Purpose(s) of the Proposed Action:

Private exploration and production from state mineral leases is a valid use of the state lands and authorized by the State of Utah. It would not be feasible to access this state land without crossing BLM lands. The Federal Land Policy and Management Act of 1976 and the regulations under 43 CFR 2800 provide for the granting of rights-of-way. BLM will consider approval of the proposed right-of-way in a manner that avoids or reduces impact on other resources and activities as identified in the Grand RMP.

1.5 Conformance with BLM Land Use Plan(s):

The proposed action and alternatives described below are in conformance with the Grand Resource Area Resource Management Plan, approved in July 1985.

They conform to the ongoing management programs and actions for realty on page 32, "Applications for minor rights-of-way and for use of the public lands through land use permits, temporary use permits, leases, and cooperative agreements will continue to be considered individually." It has been determined that the proposed action and alternative(s) would not conflict with other decisions throughout the plan.

The proposed action is in conformance with the goals and objectives for the resources listed on pages 15 and 16 of the plan.

1.6 Relationship to Statutes, Regulations, or other Plans:

Section 501 of the Federal Land Policy and Management Act of 1976 (FLPMA) authorizes the Secretary of the Interior to issue regulations for the use, occupancy, and development of public lands for rights-of-way. Road rights-of-way are regulated under 43 CFR 2800. The application received for the right-of-way is consistent with these federal regulations.

Under the Grand County General Plan Update of 2003, management of public lands would be affected by Policies 4.2.4, 4.2.5, 4.2.6 and 4.2.9. Policy 4.2.4 is to build a strong economy. Policy 4.2.5 promotes intergovernmental coordination, including planning for the management of the public lands. Policy 4.2.6 promotes management of public lands for the benefit and enjoyment of the people of Grand County and the nation. Specifically, under Public Lands Policy 1 under 4.2.6, Grand County encourages the expeditious processing of use permits for economic uses of public lands consistent with the policies of the Plan and specifically ... mineral extraction ... for the benefit of Grand County. The protection of sensitive lands (public watersheds, floodplains, riparian habitats, biological and archaeological sites) is addressed in Policy 4.2.9. The proposed action would not conflict with the Grand County General Plan Update of 2003.

1.7 Identification of Issues:

1.7.1 Introduction:

The application for road right-of-way was submitted on August 1, 2005. BLM discussed right-of-way processing procedures and road specifications with GLNA before and after the right-of-way was submitted. A representative from the Moab Field Office looked at the proposed road route with GLNA on September 20, 2005. GLNA submitted a Plan of Development (POD) for Right-of-Way UTU-82648 on October 12, 2005, and a revised POD was submitted in January, 2006. The project was posted on the Electronic Notification Bulletin Board on January 13, 2006.

The project area for this EA would include the proposed road right-of-way to the Paradox Basin 1 Well and adjacent areas extending approximately one mile on both sides of the right-of-way which would include most of the areas currently impacted from the access provided by the existing roads. The proposed action and mandatory critical elements were reviewed by the resources staff of the Moab Field Office.

1.7.2 Critical Elements of the Human Environment:

Those elements of the human environment that are subject to requirements specified in statute, regulation, or executive order must be considered in all EAs along with any other issues of concern. The following mandatory critical elements have been considered for this EA: air quality, areas of critical environmental concern, cultural resources, environmental justice, prime or unique farmlands, floodplains, invasive/non-native species (noxious weeds), Native American Religious concerns, threatened or endangered (T&E) species, hazardous or solid wastes, water quality, wetlands or riparian zones, wild and scenic rivers, and wilderness. The Interdisciplinary Team Analysis Record, Appendix A, documents the review of the critical elements of the human environment. Those elements that would not be affected by the proposed action have not been analyzed in the EA.

A Class III cultural resources inventory and report were completed for the proposed road route. Historic properties were identified during the inventory. BLM concurred with the recommendations in the cultural resources report for avoiding the historic properties, and all recommendations will be implemented. The EA will address procedures for avoiding the historic properties during the proposed project.

Based on the Utah Natural Heritage database and inventories for T&E and sensitive plants completed for the Moab Field Office; no threatened, endangered, or sensitive plant species are known to occur in the areas where surface disturbance has been proposed.

The proposed project area does not include critical habitat as designated by the U.S. Fish and Wildlife Service (USFWS) for any listed animal species. Based on the 1997 habitat model developed by David Willey and Dan Spotskey, a portion of the proposed project would be within foraging habitat for the Mexican spotted owl (MSO), a federally listed threatened species. This area would not offer suitable breeding or nesting habitat for MSO.

Bald eagles are listed as threatened by the USFWS and may forage in the area during the winter. No bald eagle nesting sites or winter roosts have been identified within the project area, and therefore, no surveys were required.

In addition to federally listed threatened and endangered species, state sensitive species are considered in EAs. The *Utah Sensitive Species List, February 2005*, was used to identify potential habitat for State sensitive species within the project area. Several sensitive species; white-tailed prairie-dogs, kit fox, burrowing owls, and ferruginous hawk, are present in the Cisco Desert and could be found within this portion of Grand County. Historic prairie-dog towns have been mapped along I-70, and along the roads used to access the BLM right-of-way. Active prairie-dog colonies have the potential to provide food and habitat for the black footed ferrets, an endangered species listed by the USFWS. At this time, black footed ferrets have been extirpated from this area. No active prairie-dog colonies have been mapped along the road right-of-way that would be issued to GLNA. Although kit fox could be found in the project area, kit fox would more typically be found in the Cisco Desert. Within the proposed project area, there is potential habitat for burrowing owls and ferruginous hawks; though no known nests occur within four miles of the proposed road right-of-way.

None of the new road construction for the proposed action would occur in or next to primary habitat features associated with wetlands, riparian areas, meadows, or rocky crevices where sensitive species would be anticipated. The proposed action would be in desert shrub, blackbrush, and pinyon-juniper vegetative communities, and these types of plant communities are not limited in the project area. Although there would be a possibility that additional sensitive species could be in the project area, the likelihood of encountering one of the sensitive species of reptiles, bats, or small mammals would be low.

None of the proposed action would be within Wilderness Study Areas (WSAs). A portion of the existing road is a boundary of an area where BLM has identified wilderness characteristics. The Utah BLM *1999 Utah Wilderness Inventory* documented that the area south and west of the existing road in sections 11, 13, 14, and 24, T. 23 S., R. 22 E., and section 19, T. 23 S., R. 23 E. has wilderness characteristics, and the potential impacts to wilderness characteristics are being addressed in this EA.

The road to the Paradox Basin 1 Well would cross ephemeral drainages. No construction would occur in springs, wetlands, floodplains, or riparian areas. Neither BLM nor Grand County is currently spraying noxious weeds along the roads that would be used access the well.

1.7.3 Identification of Issues:

Applications and projects are reviewed to identify potential surface use conflicts or issues with other resources in the project area. Potential impacts to soils, vegetation, recreation, visual resources, livestock grazing, and wildlife are reviewed when preparing an EA.

The road construction and road upgrading would affect soils and vegetation. Construction would accelerate erosion. Road use during wet weather would increase erosion. There would be no impacts to woodlands or forestry. There are no pending fuel treatment projects within this area.

The road right-of-way is in an area that is open for OHV use. The existing maintained roads are part of the county road network for the Highlands and Dome Plateau areas. The roads and jeep trails are used by livestock grazing permittees, mining claimants, and recreationists (including ATVs). Some of the existing roads and jeep trails in and adjacent to the project area are utilized as part of the annual Moab Easter Jeep Safari. Kokopelli's Trail, a route used for mountain biking, is northeast of the project area, and there would be no project related activities on Kokopelli's Trail. There are no developed recreational sites in this area. Dispersed recreational use has been low.

This area south of Interstate 70 (I-70) has a Visual Resource Management (VRM) Class IV rating. In VRM Class IV, the contrasts may attract attention and be a dominant feature of the landscape in terms of scale. However, the change should repeat the basic elements (form, line, color, and texture) inherent in the characteristic landscape. All of the impacts from the proposed project would be allowable in a VRM Class IV area. The proposed project would not result in substantial impacts to visual resources in this area, either singularly or cumulatively.

The road right-of-way would be within the Monument Wash, Highlands, and Squaw Park Allotments. The road right-of-way route crosses through three fences. Cattle guards would be installed at each of the fence crossings. There is a cattle guard in the fence between the Monument Wash and Highlands Allotments on County Road No. 163 (outside of the proposed road right-of-way). The potential impacts from lost forage would be minimal, and there would be no impacts to livestock grazing.

Animals typically associated with desert shrub and juniper plant communities are found in the project area. Pronghorn antelope and mule deer may be found in portions of the project area.

Potential impacts to wilderness characteristics, cultural resources, soils/vegetation and wildlife will be analyzed in the EA.

Resource A: Wilderness Characteristics

- Issue 1: Potential impacts to wilderness characteristics of naturalness.

Resource B: Cultural Resources

- Issue 1: The procedures for avoiding historic properties.

Resource C: Soils/Vegetation

- Issue 1: Impacts from road construction.
- Issue 2: Impacts from road use during periods of wet soils.

Resource D: Wildlife

- Issue 1: Potential impacts to wildlife, including sensitive species.

1.8 Summary:

This chapter has presented the Purpose and Need for the proposed project, as well as the relevant issues, i.e., those elements that could be affected by the implementation of the proposed project. In order to meet the purpose and need of the proposed project in a way that resolves the issues, the BLM has developed a range of action alternatives. These alternatives, as well as a no action alternative, are presented in Chapter 2. The potential environmental impacts or consequences resulting from the implementation of each alternative are then analyzed in Chapter 4 for each of the identified issues.

2.0 DESCRIPTION OF ALTERNATIVES, INCLUDING PROPOSED ACTION

2.1 Introduction:

The Plan of Development (POD) submitted for the application for road right-of-way provides the specifications for the road use. The application for the road right-of-way and the specifications from the POD submitted in January, 2006, was used for the proposed action. The proposed action would be to issue a right-of-way to GLNA.

The only alternative considered is no action. Under the no-action alternative, the right-of-way would not be approved.

2.2 Alternative A – Proposed Action:

The proposed action would be to issue Road Right-of-Way UTU-82648 to GLNA for access to a State Mineral Lease. Road Right-of-Way UTU-82648 would be approximately 10.2 miles long and 35 feet wide, and would be issued for a term of years with the option of renewal. GLNA would also utilize approximately 12 miles of existing county Class B roads, Grand County Road Nos. 163 and 165, where a right-of-way would not be required from BLM.

Road Right-of-Way UTU-82648 would be issued to construct, upgrade, utilize, and maintain a road in the following area:

T. 23 S., R. 22 E.,
Sec. 9, S½NE¼, N½NW¼, and SE¼NW¼;
Sec. 10, N½SW¼, SE¼SW¼, and S½SE¼;
Sec. 11, S½SW¼, and SW¼SE¼;
Sec. 13, S½NW¼, E½SW¼, and S½SE¼;
Sec. 14, N½NE¼, and SE¼NE¼;
Sec. 24, NE¼NE¼.

T. 23 S., R. 23 E.,
Sec. 19, Lots 2 & 3, SE¼NW¼, NE¼SW¼, W½SE¼, and SE¼SE¼;
Sec. 21, N½NE¼, SW¼NE¼, SE¼SW¼, and W½SE¼;
Sec. 28, N½NW¼, and SW¼NW¼;
Sec. 29, S½NE¼, SW¼NW¼, N½SW¼, and W½SE¼;
Sec. 30, E½NE¼.

A map is attached in Appendix B. The construction and drilling operations were not confined to any time frames in the application for right-of-way.

The existing travel surface on the roads in the areas being maintained is 12-18 feet wide. The existing jeep trails/roads that are not being maintained on a regular basis are 8-10 feet wide (portions of sections 21, 28, 29, T. 23 S., R. 23 E.). The existing roads and jeep trails would be widened to approximately 20 feet for drilling operations. The road would be widened to approximately 35 feet for truck turnouts, equipment parking areas, truck turning radiuses, culvert installation, cattle guard installation and water diversions for drainage control. The existing road would be re-routed in several areas. Each of the re-routes would be 200-600 feet long and 20-35 feet wide. The total length of the re-routed portions of the road would be approximately 2,000 feet. The re-routes were identified to meet several objectives, such as improve road construction/maintenance, improve visibility for traffic, and avoid cultural resources or other features during construction and maintenance. Where the roads are re-routed, a berm, ditch, or steel post fence would be constructed across the former roadway to direct traffic to the new roadway.

The existing roads and jeep trails within T. 23 S., R. 23 E., section 21, SW¼SE¼, traverse sandy, sloped areas, and there are several sharp turns. In one area where the existing jeep trails traverse steep sandy slopes, a new route was selected that would improve the construction/maintenance of a road for heavy truck traffic, and Road Right-of-Way UTU-82648 would authorize approximately 800 feet of new road construction in section 21, SW¼SE¼.

In addition to the road work on public lands managed by BLM, there would be approximately 1,000 feet of road/jeep trail upgraded and a well pad constructed on state lands. The well pad would be approximately 400 feet by 400 feet. The drilling of the Paradox Basin 1 Well would be authorized by an APD approved by the Utah Division of Oil, Gas, and Mining.

Heavy equipment, such as a dozer, grader, and back-hoe, would be used for construction and maintenance of the road. Transporting the drill rig would require hauling approximately 40-50 tractor trailer loads of equipment to the well site. During some portions of the drilling operations, there could be more than 10 vehicles/day utilizing the road. Water used during road construction and upgrading would be hauled from municipal systems. The POD has provisions for control of noxious weeds, construction and road use during freezing or wet weather conditions, use of magnesium chloride for dust control, installation of cattle guards, use of signs along the road during drilling, and seeding the reclaimed portions of the road.

In the event that the well is produced, there would be 1-2 vehicles/day for production and maintenance operations at the well. If oil was produced at the well, the oil would be hauled from the well by tanker trucks, and the travel surface of the road would be maintained approximately 18 feet wide. The road surface would be crowned and the sides of the road would be sloped/ditched for controlling runoff. Surface disturbance for a typical ditched and crowned road on level ground would be approximately 35 feet wide. The surface disturbance width during construction along hillsides with cut and fill slopes would be approximately 40-50 feet wide. The POD has provisions for surfacing the road with pit-run gravel materials (or other rock materials) if the road is utilized for yearlong production operations. Typically, road improvements would be phased-in as warranted by road conditions.

There are no pipelines in this area for gathering natural gas production. In the event that the Paradox Basin 1 Well produced natural gas, the well would likely be shut-in until there was adequate gas production to justify pipeline construction. If a pipeline was constructed for gas production, the pipeline would probably follow the road right-of-way and tie-in with Northwest Pipeline at the northern end of the right-of-way.

After oil and gas production is depleted at the Paradox Basin 1 Well (or if the well is a dry hole), the well pad would be reclaimed. As specified in the POD for the road right-of-way:

1. No reclamation would be required on Grand County Road Nos. 163 and 165.
2. Where the road was re-routed prior to drilling operations, or during production operations, the road would be left in the re-routed location.
3. Road surfacing materials would be left on the roadway.

If the road (or portions of the road) was needed to access other areas after the well was plugged, another company may acquire the road right-of-way. Grand County could utilize the road as part of the county's travel system. If there was no addition need for the upgraded road, the existing roads could be reclaimed by restoring roadways to their original widths by lowering road berms, constructing waterbars across roadways, scarifying compacted soils, and seeding reclaimed portions of the roads.

2.3 Alternative B – No Action:

With the no-action alternative, Road Right-of-Way UTU-82648 would not be issued. The roads would not be used for access to the Paradox Basin 1 Well, and there would be no road upgrading or new construction from the road right-of-way on BLM land.

2.4 Alternatives Considered, but Eliminated from Further Analysis:

Prior to submitting the application for the road right-of-way, there were conversations between GLNA and BLM on preferred road routes. Other existing county roads could be utilized to access section 16. Any alternate road route would impact similar terrain and would have similar types of impacts. No major resource conflicts were identified along the proposed road route, and no alternatives were identified for the proposed action that would substantially reduce new impacts on BLM lands. Based on Grand County's current maintenance on 7.6 miles of the proposed GLNA right-of-way, (1) the proposed right-of-way route is currently the primary access to the project area, and (2) the proposed route will continue to be used and maintained in the future. Therefore, no additional alternatives were developed and considered in this EA.

3.0 AFFECTED ENVIRONMENT

3.1 Introduction:

Chapter 1 outlined the resource issues which may be impacted by the proposed action. Chapter 2 presented the alternatives that would be considered to address the issues. Chapter 3 contains a description of the resources potentially impacted.

3.2 General Setting:

The project area is approximately 8 miles south of I-70. In section 9, T. 23 S., R. 22 E., the existing road is approximately 1.5 miles northeast of the Lost Springs portion of Arches National Park. The proposed well in section 16, T. 23 S., R. 23 E., would be approximately 1.5 miles west of the Colorado River, and approximately 4 miles west of Dewey Bridge. There are roads throughout the project area, and existing roads and jeep trails would be used for the majority of the proposed road right-of-way.

Approximately 7.6 miles of existing roads and 2.6 miles of jeep trails would be utilized for Road Right-of-Way UTU-82648. Grand County currently maintains the 7.6 miles of existing roads twice a year, and the roads are currently being maintained 12-18 feet wide. The jeep trails are 8-10 feet wide and not being maintained with heavy equipment. The project area would include the proposed road right-of-way and adjacent areas extending approximately one mile on both sides of the right-of-way, and the project area would include most of the areas currently impacted from the vehicle use associated with the existing roads and jeep trails that would be used for the right-of-way.

3.3 Resources/Issues Brought Forward for Analysis:

3.3.1 Wilderness Characteristics:

The Utah BLM *1999 Utah Wilderness Inventory* documented wilderness characteristics along the south and west sides of the existing road in sections 11, 13, 14, and 24, T. 23 S., R. 22 E., and section 19, T. 23 S., R. 23 E. The *Inventory* concluded that the inventory unit associated with the proposed action possessed naturalness. The unit in question possessed outstanding opportunities for solitude and primitive and unconfined recreation only in association with the contiguous WSA, but not on its own.

3.3.2 Cultural Resources:

A Class III, 100% pedestrian, cultural resources inventory and report was completed for use of the existing road and proposed new road construction. Historic properties were identified along the proposed right-of-way route.

3.3.3 Soils/Vegetation:

The proposed project would cross mesas, rolling slopes, and rock outcrops. Most of the road right-of-way is in areas with fine, sandy loam soils, with moderate potential for wind erosion. There are areas with severe water erosion potential. Inventories for soils in the area are covered by Soil Survey of Grand County, Utah, Central Part (September 1989), and the soil survey provides additional information on the types of soils and vegetation in the project area.

Biological soil crusts are present throughout the project area. The biological soil crusts are composed of cyanobacteria, lichens, mosses, green algae, microfungi and other bacteria. The biological soil crusts within the project area are in various stages of development depending on many factors, including the soil texture, vegetative cover, and level of previous disturbances.

The primary vegetation along the road right-of-way are blackbrush, junipers, and pinyons. Ephedra, sagebrush, snakeweed, and cheatgrass are growing with the blackbrush along the road right-of-way. At the northern end of the road right-of-way, there are some grasslands with cheatgrass, sand dropseed, Indian ricegrass, and spiny hopsage.

3.3.4 Wildlife:

Numerous small animals and bird species typically associated with desert shrub and juniper plant communities are found in the project area. Mule deer and pronghorn may be found yearlong in portions of the project area. No crucial deer winter range or pronghorn fawning areas have been identified in the project area. Several raptor species, including ferruginous hawk, burrowing owl, bald eagle, golden eagle, and Mexican spotted owl, may utilize this area to forage, but there are no known nests or roosting sites.

4.0 ENVIRONMENTAL IMPACTS

4.1 Introduction:

Potential impacts to wilderness characteristics, cultural resources, soils, and wildlife are analyzed in Chapter 4.

4.2 Direct/Indirect Impacts:

4.2.1 Alternative A – Proposed Action:

4.2.1.1 Wilderness Characteristics:

The road right-of-way would be next to an area found to possess wilderness characteristics. *Naturalness* would be the wilderness characteristic most affected by the proposed action. Upgrading the road would render some portions of the area unnatural.

4.2.1.2 Cultural Resources:

Historic properties were identified along the proposed right-of-way. Some of the properties would be within or adjacent to the areas that would be utilized for road maintenance and construction. The cultural resources inventory report provided recommendations for avoiding historic properties eligible for the National Register of Historic Properties (NRHP). Where cultural sites were identified within or immediately adjacent to existing roads or jeep trails, the road right-of-way would be routed around the cultural resources, and the historic properties would be avoided.

4.2.1.3 Soils/Vegetation:

The existing road and jeep trails that would be used for the proposed right-of-way route cover at least 13.5 acres (7.6 miles by 12 feet wide, and 2.6 miles by 8 feet wide). Approximately 7.6 miles of the existing maintained roadway would be widened from an existing 12-18 feet wide to approximately 35 feet (an additional surface disturbance of approximately 21 acres). For approximately 2.6 miles, the width of the roads and jeep trails between the maintained road and section 16 would be increased from 8-10 feet to approximately 35 feet wide (an additional surface disturbance of approximately 8.5 acres). The road right-of-way that would be issued to GLNA would be 10.2 miles by 35 feet wide, covering 43 acres. The majority of the impacts to the soils and vegetation from the new surface disturbance would be along the sides of the existing roads and jeep trails.

In addition to the road work on public lands managed by BLM, there would be approximately 1,000 feet of road/jeep trail upgraded and a well pad constructed on state lands. The impacts on state lands would disturb approximately 5 acres of soils and vegetation.

Soil erosion would increase during the initial road construction phase of this project. Removal of vegetation, biological soil crust cover, any physical crusts and topsoil layers would eliminate surface soil aggregates and therefore reduce soil stability. Construction would also loosen soils at the surface. Continued heavy equipment traffic would compact soils near the surface, from 6" to 5' deep. Drainage patterns would be interrupted by the road, re-directing water runoff patterns (alongside the road in drainage ditches, diverted by water bars, etc). Loose unstable berms of soil would be left along the roadside. All these factors would contribute to increases in water erosion and wind erosion rates.

Soil erosion would also be accelerated by traffic during wet periods. Heavy truck traffic would leave deep ruts when soils are wet from rain or snowmelt. Additional soil compaction would occur at and near the surface. Rutting redirects water drainage patterns along compacted zones, increasing water runoff rates and subsequent soil erosion.

Impacts from regular road maintenance and traffic would include increased fugitive dust during dry periods. The loose unconsolidated sandy soils would have a higher potential for wind erosion, and would blow when soil moisture conditions are low. Blowing sand could bury adjacent vegetation and biological soil crusts, retarding their growth or killing them. Blowing sand could become entrained in the atmosphere, contributing to regional dust concerns.

Additional effects from the proposed action affecting biological soil crusts include loss of a physical crust, soil compaction, and decrease in nitrogen fixation ability, set back in development stage and burial by blowing sands. These impacts can allow annual weed growth to increase, along with an increase in potential for wind and water erosion. These are impacts with recovery times varying from several days (physical crust formation) to years (set back in development stage). Some of the research on biological soil crusts indicates that impacts could last 50-300 years.

Although drainage control measures would be provided, soil erosion would increase on the soils exposed by construction. Impacts to the soils and vegetation could be minimized, but not eliminated, through drainage control measures during construction and maintenance.

The use of magnesium chloride for dust control may reduce fugitive dust along portions of the right-of-way with fine grained soils. However, the benefits of using magnesium chloride may be diminished in the sandy soils where there may not be adequate clay or silt content to bind with the magnesium chloride.

Vegetation could be re-established after reclamation. As vegetation and biological soil crusts recover along the roadway, soils would become more stable. Wind and water erosion rates would be partially reduced, but still accelerated from normal rates. This may take several years (3-5 years estimated for establishing grasses and shrubs) to decades (or more for biological soil crusts), depending on climate conditions and subsequent uses.

4.2.1.4 Wildlife:

The habitat lost for the construction of the new road segments and upgrading the road would be minimal. The potential impacts to wildlife would primarily be due to increased road use.

Wildlife may be displaced for 3-4 months during construction and drilling operations. Construction and drilling operations may displace mule deer, pronghorn, and foraging raptors. There would be no other construction or drilling operations occurring in this area, and there would be no barriers preventing wildlife movements.

Loss of habitat and increased vehicular traffic can cause direct mortality to species or impede daily activities of wildlife. Amphibians, reptiles, and burrowing animals may be crushed though this would be considered an unlikely event given the relatively low density of burrowing animals within the project area. This might lead to a temporary and minor reduction of some prey species. Because of the high fecundity of small mammals and reptiles, populations would be expected to recover quickly following reclamation.

In the event that the proposed action occurred during the spring or summer months, bats, nesting raptors, and nesting migratory birds could be present in the project area. Construction and drilling operations could displace bats and nesting birds. The areas adjacent to the proposed road right-of-way would provide suitable habitat for nesting and foraging. Considering the 3-4 months duration proposed for construction and drilling operations, disturbances to wildlife that might cause displacement would be temporary.

4.2.1.5 Mitigation Measures:

At the conclusion of the well's useful life, and with no need for access, the road improvements created by the proposed action would eventually return to a natural state. This would serve to restore the wilderness characteristics of *naturalness.*

The cultural resources report included recommendations for an approved archaeologist to monitor the road upgrading in certain portions of the right-of-way. Where historic properties were located adjacent to the proposed road, construction activities could be kept away from historic properties by flagging avoidance areas or approved archaeologists monitoring construction. Stipulations would be added to the right-of-way to ensure the historic properties are avoided. The stipulations would include: (1) an approved archaeologist monitoring construction in certain areas, (2) use temporary fences and flagging to keep vehicles and equipment out of certain areas, (3) the contractor's responsibilities for informing employees/sub-contractors of the potential for prosecution if cultural resources were disturbed, and (4) procedures for stopping work and notifying BLM if cultural resources were found while working on the project. Specifications for site avoidance are included in Cultural Resources Reports U-05-MQ-0569b and U-05-MQ-1405b (MOAC Reports 05-71 and 05-464).

GLNA committed to maintaining and upgrading the road in the POD for the right-of-way. Roadsides would be ditched, culverts would be installed, and the roadway surfaced with rock as road conditions and production traffic warranted. In order to prioritize and begin implementing road improvements, stipulations would be added to the right-of-way.

The stipulations would include:

Prior to drilling operations;

(1) surfacing the road with rock materials on the slope in Sec. 14, E½NE¼,
(2) installing culverts and surfacing portions of the road along the base of the sandstone outcrop in Sec. 13, S½NW¼, NE¼SW¼, and Sec. 14, SE¼NE¼; and
(3) surfacing the new road segments constructed for the re-routes along the right-of-way and the 800 feet of new road (Sec. 21, SE¼SW¼, and W½SE¼).

During drilling operations; magnesium chloride would be used for dust control, as directed by the authorized officer.

During production operations; the right-of-way would be maintained in a safe, usable condition, as directed by the authorized officer. (A regular maintenance program would include, but is not limited to, blading, ditching, culvert installation, and surfacing, on an as-needed basis depending on road conditions and production traffic).

When the right-of-way is no longer needed, the future use of the road could be addressed at the termination of the right-of-way. A stipulation would be added to the right-of-way for a pretermination conference. The conference would be held to review the termination provisions of the grant and to determine how the roads within the right-of-way would be utilized or reclaimed.

4.2.1.6 Residual Impacts:

Impacts to wilderness characteristics would continue until eventual reclamation of the access road would restore the affected area to its current condition.

There would be no impacts to cultural resources or Native American concerns.

The construction, operation and maintenance of the road and well site would be a long-term impact on biological soil crusts and soil erosion. Impacts would be minimized, but not eliminated, through drainage control measures during construction and maintenance. Cryptobiotic soils would recover slowly as organisms from undisturbed areas recolonized affected areas.

The use of magnesium chloride for dust control may reduce fugitive dust, but fugitive dust would not be eliminated along the roads. During dry periods of the year, the roadways would have dry, loose soils, and dust from truck traffic would increase.

Wildlife may be displaced by the construction and drilling operations. The temporary displacement of mobile animals would be a short-term impact.

There would be no long-term impacts to wildlife populations, and the impacts to wildlife habitat would not result in long-term impacts on wildlife populations. It is unlikely that project-related impacts would significantly impair or preclude long-term persistence of animal or plant species within the project area. The proposed action would not lead to the need to list any of the sensitive species as threatened or endangered.

4.2.1.7 Monitoring and/or Compliance:

BLM would inspect the use of Road Right-of-Way UTU-82648 during the drilling operations. If the Paradox Basin 1 Well was produced, the use of the road right-of-way would be inspected periodically, and BLM would discuss the road conditions and options for upgrading the road with GLNA and the Grand County Road Department as road conditions and production traffic warranted.

4.2.2 Alternative B – No Action:

With the No-Action Alternative, Right-of-Way UTU-82648 would not be issued.

4.2.2.1 Wilderness Characteristics:

There would be no additional impacts to wilderness characteristics from what is already occurring from the passage of vehicles on the existing roads.

4.2.2.2 Cultural Resources:

There would be no additional impacts to the existing road and no additional impacts to cultural resources with the no-action alternative. On-going or future actions could affect cultural resources in the project area.

4.2.2.3 Soils/Vegetation:

There would be no additional surface disturbance to the vegetation or soils from the proposed action. However, other on-going and future actions would affect soils and vegetation of the project area as discussed in the section on cumulative impacts.

4.2.2.4 Wildlife:

With the no-action alternative, there would be no additional disturbances or displacement of wildlife from the road right-of-way. Other on-going and future actions would affect the wildlife as discussed in the section on cumulative impacts.

4.3 Cumulative Impacts Analysis:

4.3.1 Reasonably Foreseeable Action Scenario (RFAS):

The following reasonably foreseeable action scenario (RFAS) identifies the cumulative actions that would cumulatively affect the same resources in the cumulative impact area as the proposed action and no action alternative.

The Paradox Basin 1 Well and the proposed right-of-way would be located in an area that has been previously impacted by livestock grazing, road construction, geophysical and mining exploration, and OHV use. The level of livestock grazing is not expected to change. Mining exploration (and development) will periodically occur in areas adjacent to the project area and possibly within the project area.

The current road use by recreationists is light, and recreationists are typically not encountered along the roads in the project area during the middle of the week. The proposed action is not located along a route that provides access to a developed recreational site. The existing roads and jeep trails that would be used for the road right-of-way are utilized by four-wheel drive vehicles during the annual Moab Easter Jeep Safari. With or without the proposed the well on state land, approximately 7.6 miles of the proposed road right-of-way would be maintained twice a year by Grand County.

The proposed well and road right-of-way would be located in an area covered by the Yellow Cat 2-D Swath Project, a seismic project in 2002. There are no pending Notices of Intent to Conduct Oil and Gas Geophysical Exploration Operations (NOIs) in the project area. There is one pending geophysical project near Cisco, and there is one pending geophysical project near Thompson Springs. It is likely that additional geophysical projects would be proposed for the project area and throughout the areas south of I-70 and northeast of Arches National Park.

Oil and gas drilling peaked in Grand County during the late 1970's and early 1980's. There are no producing oil or gas wells along the proposed road right-of-way, and there are no pending BLM Applications for Permit to Drill (APDs) in the project area. The closest producing oil and gas wells are in the Cisco area, approximately 12 miles north of the well proposed on state land. There are no pending BLM APDs in the Cisco area. There are several wells being drilled on state and private minerals in the Cisco area.

Based on the geology of the Paradox Fold and Fault belt, (1) the areas in T. 23 S., R. 22 E., and T. 23 S., R. 23 E. have oil and gas reserves, (2) the reserves are not be evenly spread throughout the area, and (3) additional drilling is required to determine where the oil and gas fields are located. At this time, it is difficult to predict how the exploratory drilling would proceed. Due to the lack of exploratory drilling and wells in these areas south of I-70 and north of the Colorado River, any predictions for future production or discovery of new fields are speculative. Mapping the oil and gas reservoir boundaries in deep formations could require the drilling of 5 or more wells.

In most cases, exploratory wells have a low success rate, and the majority of the exploratory wells would be plugged and abandoned. If a well encounters oil or gas reserves, the well would be produced. If the Paradox Basin 1 Well was productive, it is likely that 1-3 additional wells would be drilled within 1-2 miles of the well during the following 1-3 years. If the Paradox Basin 1 Well or subsequent wells were produced, a material site may be needed for excavating rock materials for road surfacing.

If natural gas reserves are discovered with the drilling of the Paradox Basin 1 Well; (1) gas production from a single well may not be adequate to justify construction of a gas pipeline, (2) additional gas wells may have to be drilled prior to constructing a pipeline, and (3) a gas well could be in a non-production status for several years while waiting on a pipeline. If a pipeline was constructed for gas production, the pipeline would probably follow the road right-of-way (or other existing roads and jeep trails) and tie-in with Northwest Pipeline at the northern end of the road right-of-way.

Geophysical projects would be authorized by NOIs. An APD would be submitted prior to drilling an oil and gas well. Installation of a pipeline would require a right-of-way. All of these actions on public lands would require approvals from BLM, and the projects would be reviewed by BLM for compliance with NEPA.

4.3.2 Cumulative Impacts:

If additional wells were drilled near the Paradox Basin 1 Well, and the same road right-of-way was used; each additional well would disturb 4 acres for the well pad and 1-4 acres for new road construction (assuming new road construction of one mile or less). In the event that a material site was needed to supply rock materials for road surfacing, approximately 1-2 acres would be disturbed.

The anticipated impacts from future drilling would be similar to the impacts analyzed in this EA. Each well would impact 5-8 acres of soils and vegetation. Wildlife would be displaced. Impacts from future pipelines would likely be parallel to the existing roads. With the adherence to the avoidance of cultural sites and other stipulations, there would be no foreseeable cumulative impacts to archaeological sites.

During the drilling operations currently proposed on the state land, or during future drilling operations in the Highlands and Dome Plateau areas, fugitive dust would periodically increase from traffic along the roads in the Mancos shale soils between I-70 and the proposed road right-of-way.

Other than for Moab Easter Jeep Safari, no historic trend data is available for the road and trail use in this area. As anticipated throughout the Moab field Office, recreational use could increase, including the use of all-terrain vehicles (ATVs). The road upgrading and maintenance proposed for the GLNA right-of-way would support increased recreational traffic and would be consistent with future road use.

The project area and all of the public lands south of I-70 have been previously impacted by road development, geophysical and mining exploration, and livestock grazing. There would be additional on-going impacts to soils, vegetation, and wildlife. Given the past, present, and future use, the proposed projects would not appreciably add to the expected disturbance from oil and gas drilling, grazing, and recreation. The Grand RMP of 1985 provides the goals and objectives for future management of resources in this area. The RMP (and the EIS for the RMP) analyzed the potential impacts of oil and gas development to various resources. The cumulative impacts for this area are covered by these documents.

5.0 CONSULTATION AND COORDINATION

5.1 Introduction:

Staff from the Moab Field Office reviewed the proposed action and identified potential resource issues. The issue identification section of Chapter 1 identifies those issues analyzed in detail in Chapter 4. Chapter 1.7 and Appendix A provide rationale for issues that were considered but not analyzed further.

On January 13, 2006, information for this project was posted on the Utah Electronic Notification Bulletin Board (ENBB).

5.2 Persons, Groups, and Agencies Consulted:

Road construction and road maintenance were discussed between Mr. Gary Nydegger, GLNA, and Rich McClure, Moab Field Office. Information from these discussions was incorporated into the POD that GLNA prepared for this project.

The proposed project, use of the Grand County roads, options for road maintenance, and anticipated future road use were discussed with the Grand County Road Department (conversations between Mr. Dave Warner, Grand County Roads, and Rich McClure).

The proposed well and access to the state lands were discussed between Mr. Bart Kettle (Utah Division of Oil, Gas, Mining) and Rich McClure, prior to the Divison's onsite inspection with GLNA and during the preparation of the EA.

In June and December, 2005, cultural resources inventories and reports for the proposed action were completed by Montgomery Archaeological Consultants, Cultural Resources Reports U-05-MQ-0569b and U-05-MQ-1405b (MOAC Reports 05-71 and 05-464). Historic properties were identified during the inventories, and procedures were developed for avoiding the historic properties. The reports were filed with the State Historic Preservation Officer (SHPO).

5.3 List of Preparers:

The EA was prepared by the Moab Field Office. The following staff reviewed and/or prepared portions of the EA:

Name of Specialist	Resources/Responsibilities
Ann Marie Aubry	Soils, Water Quality, Air Quality
Raymon Carling	Livestock Grazing, Vegetation
Stephanie Ellingham	Riparian Areas
Rich McClure	Proposed Action, RFAS/Cumulative Impacts
Pam Riddle	Wildlife, T&E Species
Bill Stevens	Wilderness
Katie Stevens	Recreation, OHV, ACECs
Rob Sweeten	Visual Resources
Daryl Trotter	T&E Plants, Noxious Weeds, NEPA Coordinator
Donna Turnipseed	Cultural Resources, Native American concerns
Mary von Koch	Land Use/Access, Environmental Review
Dave Williams	Livestock Grazing, Vegetation

APPENDICES

APPENDIX A: Interdisciplinary Team Analysis Record

APPENDIX B: Map

INTERDISCIPLINARY TEAM ANALYSIS RECORD
Appendix A

Project Title: Road Right-of-Way for the Paradox Basin 1 Well

NEPA Log Number: UT-060-2006-007

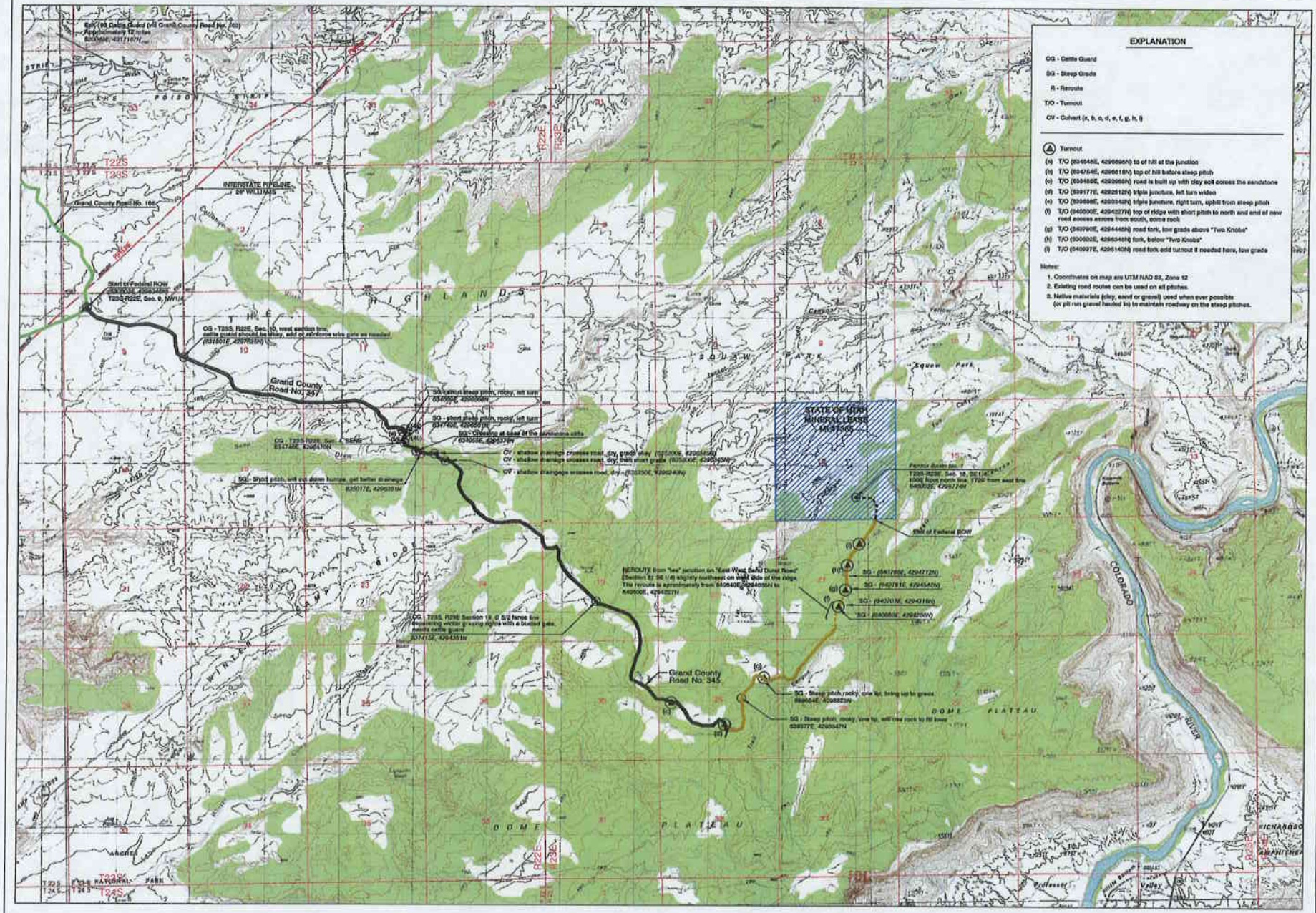
File/Serial Number: Road Right-of-Way UTU-82648

Project Leader: Rich McClure

FOR EAs: NP: not present; NI: resource/use present but not impacted; PI: potentially impacted
FOR DNAs only: NC: no change (anticipated resource impacts not changed from those analyzed in the NEPA document on which the DNA is based)

STAFF REVIEW OF PROPOSAL:

NP/NI/PI NC	Resource	Date Reviewed	Signature	Review Comments (required for all NIs and PIs. PIs require further analysis.)
	CRITICAL ELEMENTS			
NI	Air Quality	2-17-06	Amy Anbury	no impacts
NP	Areas of Critical Environmental Concern	2-14-06	K Stevens	
NI	Cultural Resources	2-16-06	D Turnipseed	
NP	Environmental Justice	2-14-06	D Wilson	
NP	Farmlands (Prime or Unique)	2-14-06	D Wilson	
NI	Floodplains	2-17-06	Amy Anbury	no impacts due to proposal's mitigation
NI	Invasive, Non-native Species	2-17-06	D Trotter	company will control any noxious weeds.
NI	Native American Religious Concerns	2-16-06	D Turnipseed	
NI	Threatened, Endangered or Candidate Plant Species	2-17-06	D. Trotter	No known T/E or special status species in area based on past inventories
NP	Threatened, Endangered or Sensitive Animal Species	2-14-06	[illegible]	
NP	Wastes (hazardous or solid)	2-14-06	K Stevens	
NI	Water Quality (drinking/ground)	2-17-06	Amy Anbury	no impacts
NP	Wetlands/Riparian Zones	2-16-06	S. Kellington	as reflected in NPL database & field review
NP	Wild and Scenic Rivers	2-14-06	K Stevens	
PI	Wilderness	2-10-06	[illegible]	addressed in EA - only naturalness affected



0 800 1600 2400 3200

Scale-in-Meters

GLNA, LLC 1105 Yank Street Golden, Colorado 80401 Phone: (303) 237-2883	PLAN OF DEVELOPMENT Federal Right-Of-Way Road to State of Utah Mineral Lease 47365 Township 23 South - Range 22 & 23 East
DRAWN BY: M. Montoya — DATE: Jan. 06 By: GLN — Jan. 08 Date: January 2006	PROJECT NO. — PROJECT: Yellow Cat — (V1.1) SCALE — SHEET 1 OF 1 — Yellow Cat ROW Map.dwg

Appendix B

State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

February 28, 2006

GLNA, LLC
1105 Yank St.
Golden, CO 80401

Re: Paradox Basin #1 Well, 1006' FSL, 1729' FEL, SW SE, Sec. 16, T. 23 South, R. 23 East, Grand County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-019-31455.

Sincerely,

Gil Hunt
Associate Director

mf
Enclosures

cc: Grand County Assessor
SITLA

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

Operator: GLNA, LLC
Well Name & Number Paradox Basin #1
API Number: 43-019-31455
Lease: ML-47365

Location: SW SE **Sec.** 16 **T.** 23 South **R.** 23 East

Conditions of Approval

1. **General**
Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

2. **Notification Requirements**
The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:
   - 24 hours prior to cementing or testing casing
   - 24 hours prior to testing blowout prevention equipment
   - 24 hours prior to spudding the well
   - within 24 hours of any emergency changes made to the approved drilling program
   - prior to commencing operations to plug and abandon the well

   The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):
   - Dan Jarvis at (801) 538-5338
   - Carol Daniels at (801) 538-5284 (spud)

3. **Reporting Requirements**
All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

6. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

7. Operator shall comply with applicable recommendations resulting from Resource Development Coordinating Committee review. Statements attached.

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: **GLNA, LLC**

Well Name: **PARADOX BASIN 1**

Api No: **43-019-31455** Lease Type: **STATE**

Section **16** Township **23S** Range **23E** County **GRAND**

Drilling Contractor **TRIPLE A** RIG # **1**

SPUDDED:

Date **05/04/06**

Time _____

How **DRY**

Drilling will Commence: _____

Reported by **GARY NYDEGER**

Telephone # **(303) 237-2883**

Date **05/04/2006** **Signed** **CHD**

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER: ML- 47365

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME: Golden Eagle "70"

8. WELL NAME and NUMBER: Paradox Basin #1

9. API NUMBER: 43-019-31455

10. FIELD AND POOL, OR WILDCAT: Wildcat

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☐ OTHER Spud well

2. NAME OF OPERATOR: GENA, LLC.

3. ADDRESS OF OPERATOR: 1105 Yank Street CITY Golden STATE CO ZIP

PHONE NUMBER: 303-237-2883

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1006' FSL 1729' FEL

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE Sec 16 - T23S - R23E

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start: _____	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
_____	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER: _____
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	_____

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

May 4, 2006

1. Move in spudder
2. Drill 60ft
3. Set conductor (60ft)
4. Cement
5. MO spudder

May 5, 2006

NAME (PLEASE PRINT) Gary Nydegger TITLE President

SIGNATURE [signature] DATE 5/4/06

(This space for State use only)

RECEIVED
MAY 08 2006
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: GLNA, LLC
Operator Account Number: N 2850
Address: 1105 Yank Street
city Golden
state CO zip 80401
Phone Number: (303) 237-2883

Well 1

API Number	Well Name	QQ	Sec	Twp	Rng	County
4301931455	Paradox Basin #1	SWSE	16	23S	23E	Grand

Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date
A	99999	15371	5/4/2006	5/18/06

Comments: CmBRN — K

Well 2

API Number	Well Name	QQ	Sec	Twp	Rng	County

Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date

Comments:

Well 3

API Number	Well Name	QQ	Sec	Twp	Rng	County

Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date

Comments:

ACTION CODES:
- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Gary Nydegger
Name (Please Print)
Signature
President
Title
5/17/2006
Date

(5/2000)

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MAY 17 2006
DIV. OF OIL, GAS & MINING

TOTAL P.01

GLNA, LLC
1105 Yank Street
Golden, CO 80401-4224
garynydegger@comcast.net
303-237-2883
fax 303-238-1838

May 1, 2006 Resent w/ change of operators 5-18-06

Dustin Doucet
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

RE: Application for Reduction of Severance Tax for Exploratory (wildcat) well
Per R-649-3-35 in DOGM regulations
GLNA, LLC's Paradox Basin #1, API #43-019-31455
SWSE Section 16, T23S, R23E, Grand Co., Utah
Utah-SITLA ML-47365

Dear Sir:

Per R-649-3-35 in DOGM regulations, GLNA requests an exemption of severance tax for the above well. We understand the wildcat designation provides for an exemption of severance tax for 12 months.

I think would easily qualify as a wildcat as we are 4+ miles away from the nearest dryhole (1961 Richfield Onion Creek #1, NESW Section 31, T23S, R24E). We should start conductor this week and spud surface hole within 7-10 days.

Nearest production is the Cisco Field to the northeast in the Cretaceous interval

Please call if you have any questions. Here's to our mutual success. Thank you,

Gary L. Nydegger, PE, PG
President & Managing Member
GLNA, LLC

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
DATE: 6/15/06
BY:
cc: State Tax Commission

Professional Engineer
COLORADO No. 26279

SIPES
No. 1591

Professional Geologist
WYOMING No. 2150

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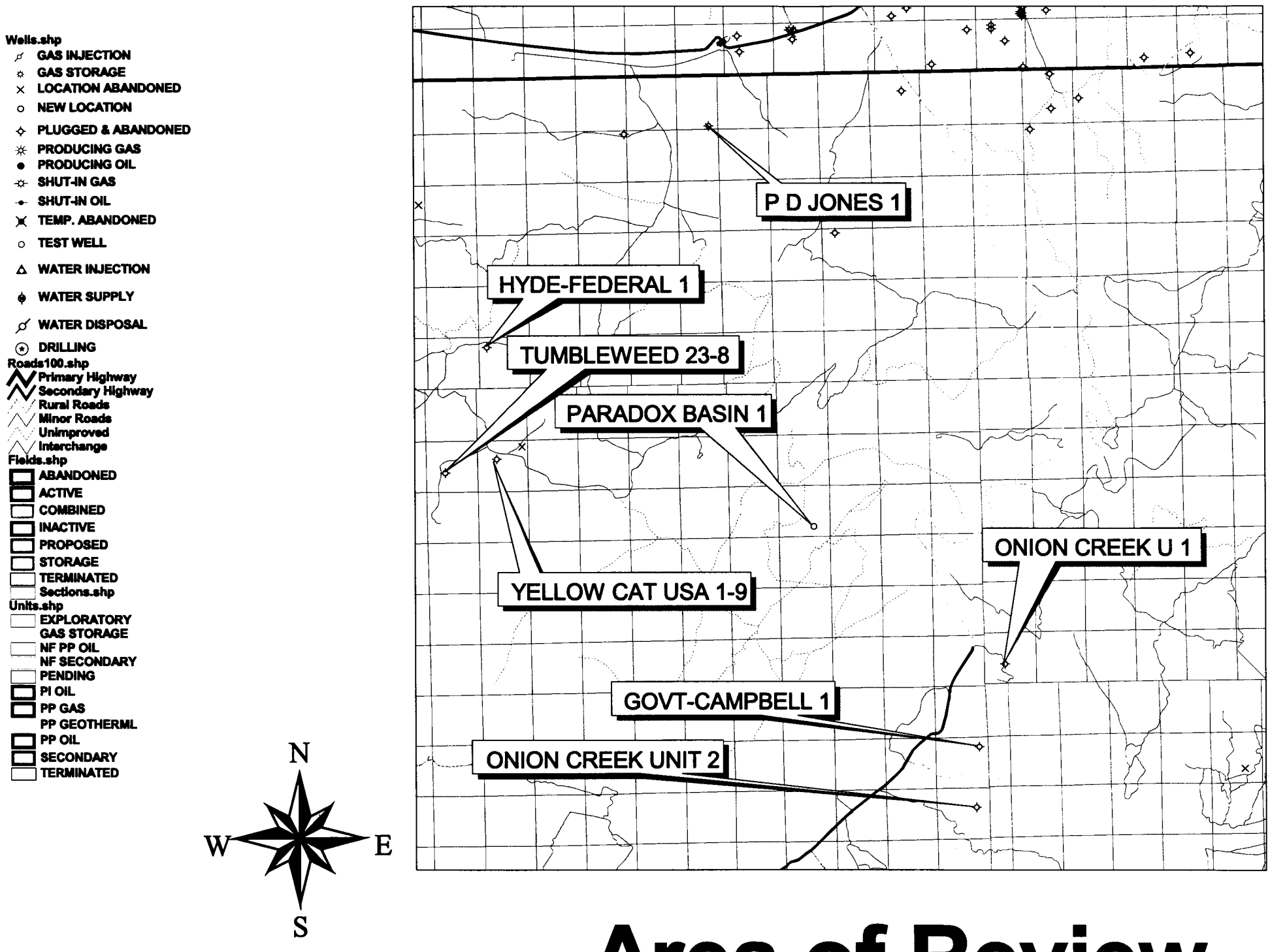
1-807 RM



Area of Review

DIVISION OF OIL, GAS AND MINING

Preliminary Wildcat Well Determination
STATEMENT OF BASIS

Applicant: GLNA, LLC

Location: SWSE Sec. 16 T23S, R23E, Grand County, Utah

WELL NAME: Paradox Basin # 1 **API #:** 43-019-31455

FINDINGS

1. This well is currently being drilled.
2. This well is ± 12 miles from known production of any kind.
3. It is ± 4 miles to the nearest well drilled in the area.
4. The 1 well ± 4 miles south east of this location was drilled to 13,922' MD and subsequently plugged without ever producing (see attached AOR map).

CONCLUSIONS

Based on the findings above the Division has determined the Paradox Basin # 1 well is planned to be drilled into an unknown area for all formations. Therefore, should the well be productive, the well should qualify for the severance tax exemption under Section 59-5-102(2)(d) for wildcat wells. Upon final completion, the operator should apply to the division for a final determination. This preliminary determination was made in accordance with Oil and Gas General Conservation Rule R649-3-35.

Reviewer(s): Dustin K. Doucet DKD Date: 6/15/06

Sundry Spud Date
Entity Action
(well)
Earlene Russell (801) 538-5336

~~R 649-~~
5

Division of Oil, Gas and Mining

OPERATOR CHANGE WORKSHEET

ROUTING
1. DJJ
2. CDW

X Change of Operator (Well Sold) Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective: **5/17/2006**

FROM: (Old Operator):	**TO:** (New Operator):
N2850-GLNA, LLC	N3045-Golden Eagle Exploration, LLC
1105 Yank Street	1616 17th St, Suite 600
Golden, CO 80401	Denver, CO 80202
Phone: 1 (303) 237-2883	Phone: 1 (303) 628-5429

CA No. **Unit:** **GOLDEN EAGLE 70**

WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
PARADOX BASIN 1	16	230S	230E	4301931455	15371	State	OW	DRL

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:	ML-47365
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	NA
7. UNIT or CA AGREEMENT NAME:	Golden Eagle 70
8. WELL NAME and NUMBER:	Paradox Basin #1
9. API NUMBER:	4301931455
10. FIELD AND POOL, OR WILDCAT:	Wildcat

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☐ OTHER Exploratory well

2. NAME OF OPERATOR: GLNA, LLC N2850

3. ADDRESS OF OPERATOR: 1105 Yank Stree CITY Golden STATE CO ZIP 80401 PHONE NUMBER: (303) 237-2883

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 1006 FSL, 1729 FEL COUNTY: Grand
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 16 23S 23E STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start: _____	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☑ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
_____	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER: _____
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

GLNA (operator N-2850) is assigning its operatorship of the above well to Golden Eagle effective May 17, 2006

New Operator: Golden Eagle Exploration LLC N3045
1616 17th Street, Suite #600
Denver, CO 80202

Phone: 303-628-5429
Fax: 303-628-5547
Email: Eagle@goldeneagleexploration.com.au

Name: Stephen J. Sullivan Title: Attorney, Golden Eagle Exploration LLC

Assignee Signature: Stephen J. Sullivan Date: May 17, 2006

NAME (PLEASE PRINT) Gary Nydegger TITLE President, GLNA, LLC

SIGNATURE Gary Nydegger DATE 5/17/2006

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APPROVED 5/30/06
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

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DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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5. LEASE DESIGNATION AND SERIAL NUMBER: State Surface ML47365

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ OTHER

8. WELL NAME and NUMBER: Paradox Basin #1

2. NAME OF OPERATOR: Golden Eagle Exploration LLC

9. API NUMBER: 4301931455

3. ADDRESS OF OPERATOR: 1616 17th St., Ste. 600 CITY Denver STATE CO ZIP 80202

PHONE NUMBER: (303) 628-5429

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1006' FSL & 1729' FEL

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 16 23S 23E

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start: 5/26/2006	☑ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER:
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Alter surface casing design and depth:
Drill 17-1/2" hole, run 13-3/8", K-55 grade, 61 & 68 #/ft to 4000', stage cementing collar set at 1500'

Cement surface casing in two stages as follows:
1st stage pump by plug and displacement method: Lead w/ type 35:65 Poz Class "G", quantity 1219 sx, yield 1.88 cu ft/sk, weight 12.7 ppg, tail w/ type Class "G", quantity 300 sx, yield 1.19 cu ft/sk. weight 15.8 ppg.
2nd stage pump by plug and displacement method: Lead w/ type 35:65 Poz Class "G", quantity 720 sx, yield 1.88 cu ft/sk, weight 12.7 ppg, tail w/ type Class "G", quantity 180 sx, yield 1.19 cu ft/sk, weight 15.8 ppg.

Drilled to ±6500' with Air/Foam, Loss Circulation encountered, no press., no FL

NAME (PLEASE PRINT) John C. Magill TITLE Consultant

SIGNATURE John C. Magill DATE 5/26/2006

(This space for State use only) Work done prior to approval DKD 7/18/06

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STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

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5. LEASE DESIGNATION AND SERIAL NUMBER: State Surface ML47365

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ OTHER

8. WELL NAME and NUMBER: Paradox Basin #1

2. NAME OF OPERATOR: Golden Eagle Exploration LLC

9. API NUMBER: 4301931455

3. ADDRESS OF OPERATOR: 1616 17th Street, Ste. 600 CITY Denver STATE CO ZIP 80202

PHONE NUMBER: (303) 628-5429

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1006' FSL & 1729' FEL

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 16 23S 23E

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start: _____	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☑ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion: 5/30/2006	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: Weekly drilling activity report
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

WEEKLY DRILLING OPERATIONS REPORT
-Spud conductor hole w/ dry hole digger on 5/4/2006, set and cement 20" conductor at 60' GL, 93' KB.
-Spud surface hole w/ rotary tools at 00:00 hours, on 5/23/2006.
-Drilling 17-1/2" hole at 1408' KB at 24:00 hours, 5/30/2006.

NAME (PLEASE PRINT) John C. Magill TITLE Consultant

SIGNATURE John C Magill DATE 5/31/2006

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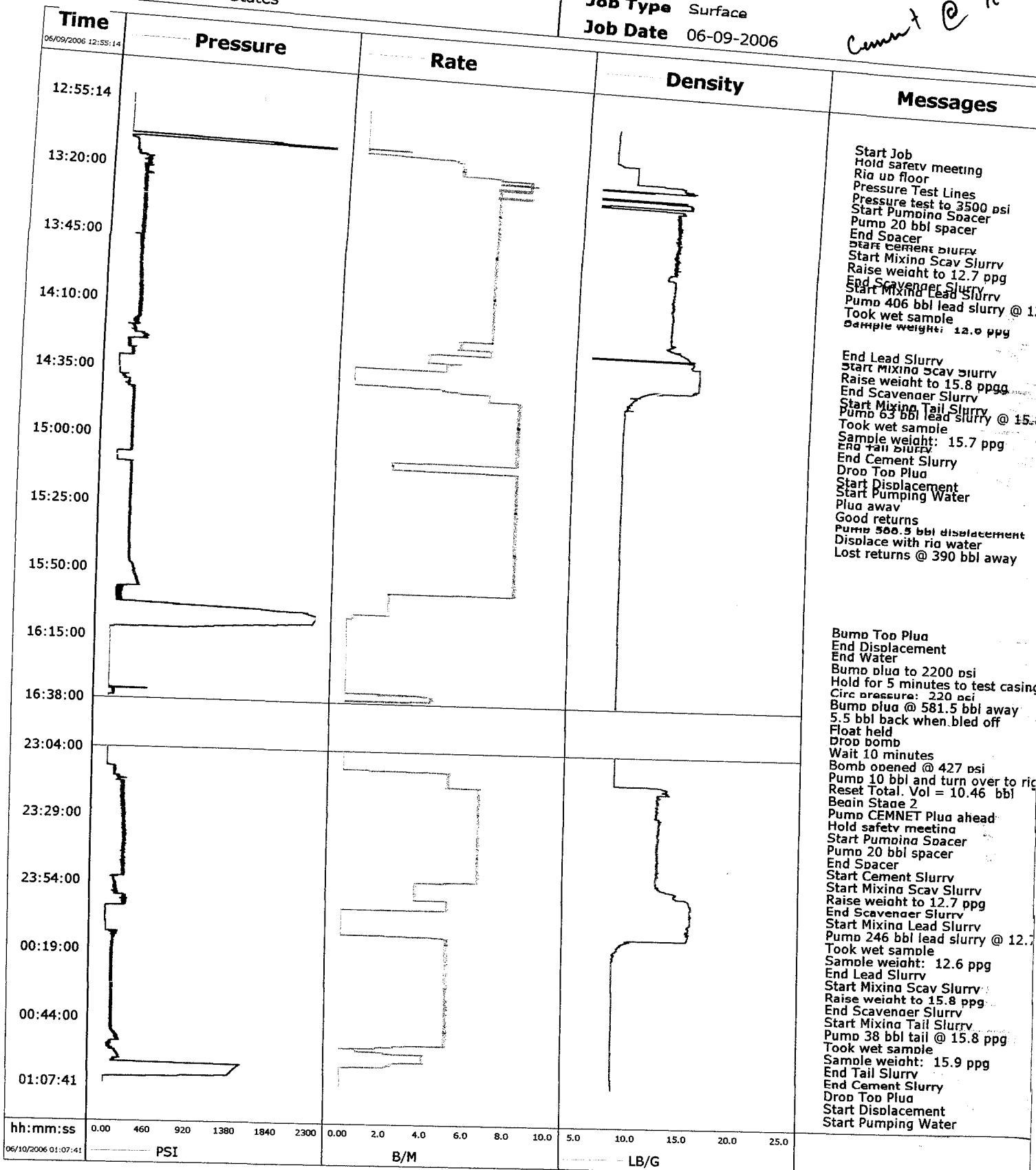
Schlumberger Cementing Job Report

CemCAT v1.3

Well	Paradox Basin 1 API # 43-019-31455	**Client**	Golden Eagle Exploration
Field	Paradox Basin	**SIR No.**	22185222437
Engineer	Keith McGuire	**Job Type**	Surface
Country	United States	**Job Date**	06-09-2006

23S 23E 16

Cement @ 1699



Messages

Start Job
Hold safety meeting
Rig up floor
Pressure Test Lines
Pressure test to 3500 psi
Start Pumping Spacer
Pump 20 bbl spacer
End Spacer
Start Cement Slurry
Start Mixing Scav Slurry
Raise weight to 12.7 ppg
End Scavenger Slurry
Start Mixing Lead Slurry
Pump 406 bbl lead slurry @ 12.7
Took wet sample
Sample weight: 12.6 ppg
End Lead Slurry
Start Mixing Scav Slurry
Raise weight to 15.8 ppgg
End Scavenger Slurry
Start Mixing Tail Slurry
Pump 63 bbl lead slurry @ 15.8
Took wet sample
Sample weight: 15.7 ppg
End Tail Slurry
End Cement Slurry
Drop Top Plug
Start Displacement
Start Pumping Water
Plug away
Good returns
Pump 586.5 bbl displacement
Displace with rig water
Lost returns @ 390 bbl away

Bump Top Plug
End Displacement
End Water
Bump plug to 2200 psi
Hold for 5 minutes to test casing
Circ pressure: 220 psi
Bump plug @ 581.5 bbl away
5.5 bbl back when bled off
Float held
Drop bomb
Wait 10 minutes
Bomb opened @ 427 psi
Pump 10 bbl and turn over to rig
Reset Total. Vol = 10.46 bbl
Begin Stage 2
Pump CEMNET Plug ahead
Hold safety meeting
Start Pumping Spacer
Pump 20 bbl spacer
End Spacer
Start Cement Slurry
Start Mixing Scav Slurry
Raise weight to 12.7 ppg
End Scavenger Slurry
Start Mixing Lead Slurry
Pump 246 bbl lead slurry @ 12.7
Took wet sample
Sample weight: 12.6 ppg
End Lead Slurry
Start Mixing Scav Slurry
Raise weight to 15.8 ppg
End Scavenger Slurry
Start Mixing Tail Slurry
Pump 38 bbl tail @ 15.8 ppg
Took wet sample
Sample weight: 15.9 ppg
End Tail Slurry
End Cement Slurry
Drop Top Plug
Start Displacement
Start Pumping Water

- From temperature log cement @ 1199'
- filled hole w/ 120 bbls of LCM, calculated fluid @ 970'
- Run in the hole w/ tail pipe as far as possible
- Spot 10 bbl plug of 14 lb class G cement, pull out monitor losses, spot for 1 hr Additional 5 bbl plug if Needed.
- when fluid stabilizes pump from bottom of tail pipe to surface.

.12359 bbl/ft in annulus
.1546 bbl/ft in 13 3/8

volume to DV tool in Casing = 1442' x .1546
Casing volume to DV = 222.9 BBLs

Volume of Annulus from DV tool = 1442 x .12359
Annulus volum = 178 BBL

* Pumping plug into DV tool
Calculated/Est Cement @ 640' in 13 3/8 when returns @ surface
99 bbls x 1546 = 640
Took 99 bbls to fill hole for returns Base Fluid
Calculated @ 639'
Returns lost @ or before cement hit DV Tool

After DV set/Cement pumped & displaced, temp log indicates:
1.) fluid @ top of Moenkopi
2.) Cement @ Sinbad LS or Ledge forming mbr of the Moenkopi
3.) Lost circ zone (1900'?) in Cutler/organ Rock sh filled w/ cement on last pump

Schlumberger — Cementing Service Report

Customer	Job Number
Golden Eagle Exploration	22185222437

Well	Location (legal)	Schlumberger Location	Job Start
Paradox Basin 1	N/A	Grand Junction	Jun/09/2006

Field	Formation Name/Type	Deviation	Bit Size	Well MD	Well TVD
Paradox Basin			17.5 in	3980.0 ft	3980.0 ft

County	State/Province	BHP	BHST	BHCT	Pore Press. Gradient
Grand	Utah		130 degF	100 degF	

Well Master	API/UWI

Rig Name	Drilled For	Service Via
DHS 12	Gas	Land

Offshore Zone	Well Class	Well Type
	New	Exploration

Drilling Fluid Type	Max. Density	Plastic Viscosity
Other	8.34 lb/gal	5.000 cP

Service Line	Job Type
Cementing	Surface

Max. Allowed Tubing Pres	Max. Allowed Ann. Press	WellHead Connectio
2500 psi	2500 psi	13 3/8 Cement head

Service Instructions

Two-Stage Cement 4000ft 13 3/8" surface string (DV@1500ft)
17 1/2" OH
Stage 1:- 1220sks 35/65 POZ/G(2200')-50%,300sks G Tail (300')-50%
Stage 2:- 720sks 35/65 POZ/G(1300')-50%, 180sks G Tail (200')-50%

Casing/Liner

Depth, ft	Size, in	Weight, lb/ft	Grade	Thread
3938.0	13.380	61.0	P110	BUTT
0.0	0.000	0.0		

Tubing/Drill Pipe

Depth,	Size,	Weight,	Grade	Thread

Perforations/Open Hole

Top, ft	Bottom, ft	shot/ft	No. of Shots	Total Interval
0.0 ft	0.0 ft	0	0	0.0 ft
0.0 ft	0.0 ft	0	0	Diameter
0.0 ft	0.0 ft	0	0	0.000 in

Treat Down	Displacement	Packer Type	Packer Depth
Casing	588.5 bbl	none	

Tubing Vol.	Casing Vol.	Annular Vol.	Openhole Vol.
0.0 bbl	595.7 bbl	500.0 bbl	1261.0 bbl

Casing/Tubing Secured [X]	1 Hole Volume Circulated prior to Cement [X]

Lift Pressure	606 psi

Pipe Rotated [ ]	Pipe Reciprocated [X]

No. Centralizers	50	Top Plugs	1	Bottom Plugs	0

Cement Head Type	Single

Job Scheduled For	Arrived on Location	Leave Location
Jun/08/2006 22:30	Jun/09/2006 06:00	Jun/10/2006 02:00

Casing Tools		Squeeze Job	
Shoe Type	Diff-Fill	Squeeze Type	
Shoe Depth	3938.0 ft	Tool Type	
Stage Tool Type	DV	Tool Depth	
Stage Tool Depth	1442.0 ft	Tail Pipe Size	
Collar Type	Diff-Fill	Tail Pipe Depth	
Collar Depth	3891.0 ft	Sqz. Total Vol.	

Date	Time 24-hr clock	Treating Pressure PSI	Flow Rate B/M	Density LB/G	Volume BBL	Message
06/09/200	12:55:14					Start Job
06/09/200	12:55:14	0	0.0	6.48	0.0	
06/09/200	12:55:15					Hold safety meeting
06/09/200	12:55:15					Rig up floor
06/09/200	12:55:15	1	0.0	6.48	0.0	
06/09/200	12:55:17					Pressure Test Lines
06/09/200	12:55:17	0	0.0	6.48	0.0	
06/09/200	12:55:19					Pressure test to 3500 psi
06/09/200	12:55:19	0	0.0	6.48	0.0	
06/09/200	12:55:21					Start Pumping Spacer
06/09/200	12:55:21	0	0.0	6.48	0.0	
06/09/200	12:55:22					Pump 20 bbl spacer
06/09/200	12:55:22	0	0.0	6.48	0.0	
06/09/200	12:57:44	-0	0.0	6.40	0.0	
06/09/200	13:00:14	0	0.0	6.36	0.0	
06/09/200	13:02:44	-0	0.0	6.32	0.0	
06/09/200	13:05:14	0	0.0	6.34	0.0	
06/09/200	13:07:44	-3	0.0	6.45	0.0	
06/09/200	13:10:14	37	0.0	8.41	0.3	
06/09/200	13:12:44	80	4.7	8.41	9.0	
06/09/200	13:15:14	81	4.7	8.41	20.7	
06/09/200	13:15:38					End Spacer

Trail job

1" to 245' pumped 22 sx (5 bbls) 14 lb slurry = 40.5
1" to 245' pumped 24 sx (5 bbls) 15.8 lb slurry = 40.5
1" to 245' pumped 122 sx (25 bbls) 15.8 lb slurry = 202
1" to 165' pumped 129 sx (26 bbls) 15 lb slurry = 210
~~1" to 135' pumped 24 sx (5 bbls) 15 lb slurry~~
1" to 135' (92 bbls) 15.8 lb = 259

Returns @ 32 bbls

BBLS/ft = $1029.4 / 17.5^2 - 13.38^2$

FE/BBL = $1029.4 / 306.25 - 179.0244$

ft/BBL = $1029.4 / 127.2256$

FE/BBL = 8.0911

Total ft gained by 1" job = @ 752'

Well	Field	Job Start	Customer	Job Number
Paradox Basin 1	[redacted]adox Basin	Jun/09/2006	Golden [redacted]e Exploration	22185222437

Date	Time 24-hr clock	Treating Pressure PSI	Flow Rate B/M	Density LB/G	Volume BBL	Message
06/09/200	13:15:38	81	4.7	10.17	0.2	
06/09/200	13:15:39					Start Cement Slurry
06/09/200	13:15:39	80	4.7	10.17	0.2	
06/09/200	13:15:44					Start Mixing Scav Slurry
06/09/200	13:15:44	92	4.7	11.58	0.6	
06/09/200	13:15:45					Raise weight to 12.7 ppg
06/09/200	13:15:45	93	4.7	11.84	0.7	
06/09/200	13:15:58					End Scavenger Slurry
06/09/200	13:15:58	98	4.7	12.88	1.7	
06/09/200	13:15:59					Start Mixing Lead Slurry
06/09/200	13:15:59	98	4.7	12.90	1.8	
06/09/200	13:16:00					Pump 406 bbl lead slurry @ 12.7 ppg
06/09/200	13:16:00					Took wet sample
06/09/200	13:16:00	106	4.7	12.92	1.9	
06/09/200	13:16:01					Sample weight: 12.6 ppg
06/09/200	13:16:01	106	4.7	12.92	2.0	
06/09/200	13:17:44	237	8.0	14.12	11.6	
06/09/200	13:20:14	206	8.0	0.01	31.6	
06/09/200	13:22:44	187	6.6	13.98	49.0	
06/09/200	13:25:14	190	6.6	13.22	66.3	
06/09/200	13:27:44	199	6.6	12.68	82.7	
06/09/200	13:30:14	186	6.6	12.76	99.2	
06/09/200	13:32:44	184	6.6	12.92	115.6	
06/09/200	13:35:14	203	6.6	12.73	132.1	
06/09/200	13:37:44	180	6.6	12.77	148.5	
06/09/200	13:40:14	195	6.6	12.82	165.0	
06/09/200	13:42:44	206	6.6	12.56	181.4	
06/09/200	13:45:14	192	6.6	12.60	197.9	
06/09/200	13:47:44	203	6.6	12.75	214.3	
06/09/200	13:50:14	185	6.6	12.72	230.7	
06/09/200	13:52:44	197	6.6	12.72	247.2	
06/09/200	13:55:14	204	6.6	12.80	263.6	
06/09/200	13:57:44	202	6.6	12.72	280.1	
06/09/200	14:00:14	210	6.6	12.56	296.5	
06/09/200	14:02:44	205	6.6	12.72	312.9	
06/09/200	14:05:14	202	6.6	12.59	329.4	
06/09/200	14:07:44	219	6.6	12.69	345.8	
06/09/200	14:10:14	221	6.6	12.63	362.3	
06/09/200	14:12:44	216	6.6	12.63	378.7	
06/09/200	14:15:14	217	6.6	12.60	395.2	
06/09/200	14:16:28					End Lead Slurry
06/09/200	14:16:28	208	6.6	12.61	403.3	
06/09/200	14:16:29					Start Mixing Scav Slurry
06/09/200	14:16:29	208	6.6	12.61	403.4	
06/09/200	14:16:34					Raise weight to 15.8 ppgg
06/09/200	14:16:34	205	6.6	12.61	403.9	
06/09/200	14:17:44	201	6.6	12.60	411.6	
06/09/200	14:20:14	140	5.1	13.35	427.9	
06/09/200	14:22:44	175	5.1	14.53	440.7	
06/09/200	14:24:57					End Scavenger Slurry
06/09/200	14:24:57					Start Mixing Tail Slurry
06/09/200	14:24:57	290	6.6	14.88	454.7	
06/09/200	14:24:58					Pump 63 bbl lead slurry @ 15.8 ppg
06/09/200	14:24:58	293	6.6	14.88	454.8	
06/09/200	14:24:59					Took wet sample

Well	Field	Job Start	Customer	Job Number
Paradox Basin 1	[redacted]adox Basin	Jun/09/2006	Golden [redacted]e Exploration	22185222437

Date	Time 24-hr clock	Treating Pressure PSI	Flow Rate B/M	Density LB/G	Volume BBL	Message
06/09/200	14:24:59					Sample weight: 15.7 ppg
06/09/200	14:24:59	291	6.6	14.88	454.9	
06/09/200	14:25:14	191	5.1	14.86	456.5	
06/09/200	14:27:44	114	3.6	15.56	465.5	
06/09/200	14:28:04					End Tail Slurry
06/09/200	14:28:04	119	3.5	15.56	466.7	
06/09/200	14:30:08					End Cement Slurry
06/09/200	14:30:08	147	4.4	15.61	475.7	
06/09/200	14:30:14	160	4.4	15.61	476.1	
06/09/200	14:31:34					Drop Top Plug
06/09/200	14:31:34	8	0.1	15.60	481.8	
06/09/200	14:31:35					Start Displacement
06/09/200	14:31:35					Start Pumping Water
06/09/200	14:31:35	8	0.0	15.61	481.8	
06/09/200	14:31:37					Plug away
06/09/200	14:31:37					Good returns
06/09/200	14:31:37					Pump 588.5 bbl displacement
06/09/200	14:31:37					Displace with rig water
06/09/200	14:31:37	8	0.0	15.63	481.8	
06/09/200	14:31:39					Lost returns @ 390 bbl away
06/09/200	14:31:39	8	0.0	15.63	481.8	
06/09/200	14:32:44	10	0.0	15.55	0.0	
06/09/200	14:35:14	13	0.0	13.87	0.0	
06/09/200	14:37:44	20	0.0	9.99	0.0	
06/09/200	14:40:14	131	6.6	9.05	8.2	
06/09/200	14:42:44	191	8.0	8.63	24.7	
06/09/200	14:45:14	194	8.0	8.45	44.8	
06/09/200	14:47:44	177	8.0	8.43	64.9	
06/09/200	14:50:14	182	8.0	8.42	85.1	
06/09/200	14:52:44	187	8.0	8.42	105.2	
06/09/200	14:55:14	189	8.0	8.42	125.3	
06/09/200	14:57:44	186	8.1	8.42	145.4	
06/09/200	15:00:14	187	8.0	8.42	165.5	
06/09/200	15:02:44	190	8.1	8.42	185.6	
06/09/200	15:05:14	193	8.0	8.42	205.7	
06/09/200	15:07:44	26	2.0	8.41	220.9	
06/09/200	15:10:14	39	3.5	8.41	226.0	
06/09/200	15:12:44	183	8.0	8.42	245.5	
06/09/200	15:15:14	189	8.0	8.42	265.7	
06/09/200	15:17:44	183	8.0	8.42	285.8	
06/09/200	15:20:14	187	8.0	8.42	305.9	
06/09/200	15:22:44	190	8.0	8.42	326.0	
06/09/200	15:25:14	188	8.0	8.42	346.1	
06/09/200	15:27:44	187	8.0	8.42	366.3	
06/09/200	15:30:14	190	8.1	8.42	386.4	
06/09/200	15:32:44	187	8.0	8.42	406.5	
06/09/200	15:35:14	189	8.0	8.42	426.6	
06/09/200	15:37:44	189	8.0	8.42	446.8	
06/09/200	15:40:14	186	8.0	8.42	466.9	
06/09/200	15:42:44	191	8.0	8.42	487.0	
06/09/200	15:45:14	187	8.0	8.42	507.1	
06/09/200	15:47:44	197	8.0	8.42	527.3	
06/09/200	15:50:14	245	8.0	8.42	547.4	
06/09/200	15:52:44	267	8.0	8.42	567.5	
06/09/200	15:55:14	289	8.0	8.42	587.6	

Well	Field	Job Start	Customer	Job Number
Paradox Basin 1	[redacted]adox Basin	Jun/09/2006	Golden [redacted]e Exploration	22185222437

Date	Time 24-hr clock	Treating Pressure PSI	Flow Rate B/M	Density LB/G	Volume BBL	Message
06/09/200	15:57:44	70	2.1	8.41	601.6	
06/09/200	16:00:14	69	2.1	8.41	606.7	
06/09/200	16:02:44	203	2.0	8.41	611.8	
06/09/200	16:05:14	2170	0.3	8.41	616.8	
06/09/200	16:06:03					Bump Top Plug
06/09/200	16:06:03	2257	0.3	8.42	617.0	
06/09/200	16:06:04					End Displacement
06/09/200	16:06:04	2259	0.3	8.42	617.0	
06/09/200	16:06:05					End Water
06/09/200	16:06:05	2262	0.3	8.42	617.0	
06/09/200	16:06:07					Bump plug to 2200 psi
06/09/200	16:06:07	2264	0.3	8.42	617.0	
06/09/200	16:06:08					Hold for 5 minutes to test casing
06/09/200	16:06:08					Circ pressure: 220 psi
06/09/200	16:06:08					Bump plug @ 581.5 bbl away
06/09/200	16:06:08					5.5 bbl back when bled off
06/09/200	16:06:08					Float held
06/09/200	16:06:08	2263	0.3	8.42	617.1	
06/09/200	16:07:44	2295	0.0	8.42	617.2	
06/09/200	16:10:14	1641	0.0	8.42	617.2	
06/09/200	16:12:44	-1	0.0	8.42	617.2	
06/09/200	16:33:36					Drop bomb
06/09/200	16:33:36					Wait 10 minutes
06/09/200	16:33:36	-0	0.0	8.42	617.2	
06/09/200	16:35:14	46	3.8	8.41	619.3	
06/09/200	16:36:27					Bomb opened @ 427 psi
06/09/200	16:36:27					Pump 10 bbl and turn over to rig
06/09/200	16:36:27	56	4.3	8.40	624.3	
06/09/200	23:05:09					Begin Stage 2
06/09/200	23:05:09					Pump CEMNET Plug ahead
06/09/200	23:05:09	0	0.0	8.43	0.0	
06/09/200	23:05:10					Hold safety meeting
06/09/200	23:05:10	0	0.0	8.43	0.0	
06/09/200	23:05:13					Start Pumping Spacer
06/09/200	23:05:13	1	0.0	8.43	0.0	
06/09/200	23:05:14					Pump 20 bbl spacer
06/09/200	23:05:14	1	0.0	8.43	0.0	
06/09/200	23:07:44	1	0.0	8.43	0.0	
06/09/200	23:10:14	1	0.0	8.43	0.0	
06/09/200	23:12:44	99	5.1	8.43	7.6	
06/09/200	23:15:06					End Spacer
06/09/200	23:15:06	146	5.1	11.94	19.7	
06/09/200	23:15:07					Start Cement Slurry
06/09/200	23:15:07					Start Mixing Scav Slurry
06/09/200	23:15:07	130	5.1	12.00	19.8	
06/09/200	23:15:08					Raise weight to 12.7 ppg
06/09/200	23:15:08	137	5.1	12.07	19.9	
06/09/200	23:15:14	124	5.1	12.42	0.3	
06/09/200	23:17:44	195	6.6	13.74	14.1	
06/09/200	23:17:56					End Scavenger Slurry
06/09/200	23:17:56	203	6.6	12.76	15.4	
06/09/200	23:17:57					Start Mixing Lead Slurry
06/09/200	23:17:57	203	6.6	12.75	15.5	
06/09/200	23:17:58					Pump 246 bbl lead slurry @ 12.7 ppg
06/09/200	23:17:58					Took wet sample

Well	Field	Job Start	Customer	Job Number
Paradox Basin 1	[redacted]radox Basin	Jun/09/2006	Golden[redacted]e Exploration	22185222437

Date	Time 24-hr clock	Treating Pressure PSI	Flow Rate B/M	Density LB/G	Volume BBL	Message
06/09/200	23:17:58	203	6.6	12.71	15.6	
06/09/200	23:17:59					Sample weight: 12.6 ppg
06/09/200	23:17:59	193	6.6	12.68	15.8	
06/09/200	23:20:14	199	6.6	12.64	30.6	
06/09/200	23:22:44	178	6.6	12.61	47.0	
06/09/200	23:25:14	176	6.6	12.55	63.4	
06/09/200	23:27:44	204	6.6	12.81	79.9	
06/09/200	23:30:14	204	6.6	12.82	96.3	
06/09/200	23:32:44	210	6.6	12.73	112.8	
06/09/200	23:35:14	211	6.6	12.76	129.2	
06/09/200	23:37:44	214	6.6	12.61	145.6	
06/09/200	23:40:14	216	6.6	12.66	162.1	
06/09/200	23:42:44	197	6.6	12.76	178.5	
06/09/200	23:45:14	199	6.6	12.69	195.0	
06/09/200	23:47:44	209	6.6	12.69	211.4	
06/09/200	23:50:14	210	6.6	12.61	227.8	
06/09/200	23:51:21					End Lead Slurry
06/09/200	23:51:21	208	6.6	12.62	235.2	
06/09/200	23:51:22					Start Mixing Scav Slurry
06/09/200	23:51:22	206	6.6	12.62	235.3	
06/09/200	23:51:23					Raise weight to 15.8 ppg
06/09/200	23:51:23	200	6.6	12.64	235.4	
06/09/200	23:52:44	92	3.6	12.84	243.3	
06/09/200	23:55:14	114	3.6	14.53	252.2	
06/09/200	23:56:49					End Scavenger Slurry
06/09/200	23:56:49	109	3.6	15.48	257.8	
06/09/200	23:56:50					Start Mixing Tail Slurry
06/09/200	23:56:50	132	3.6	15.49	257.9	
06/09/200	23:56:51					Pump 38 bbl tail @ 15.8 ppg
06/09/200	23:56:51					Took wet sample
06/09/200	23:56:51					Sample weight: 15.9 ppg
06/09/200	23:56:51	120	3.6	15.49	258.0	
06/09/200	23:57:44	124	3.6	15.85	261.1	
06/10/200	00:00:14	207	5.1	15.99	271.6	
06/10/200	00:02:38					End Tail Slurry
06/10/200	00:02:38	201	5.1	15.93	283.9	
06/10/200	00:02:44	215	5.1	15.93	284.4	
06/10/200	00:02:57					End Cement Slurry
06/10/200	00:02:57	86	2.6	15.92	285.4	
06/10/200	00:03:00					Drop Top Plug
06/10/200	00:03:00	16	0.8	15.98	285.5	
06/10/200	00:03:01					Start Displacement
06/10/200	00:03:01					Start Pumping Water
06/10/200	00:03:01	15	0.1	15.99	285.5	
06/10/200	00:03:02					Plug away
06/10/200	00:03:02					No returns
06/10/200	00:03:02					Pump 219.5 bbl displacement
06/10/200	00:03:02	14	0.0	16.00	285.5	
06/10/200	00:03:03					Displace with rig water
06/10/200	00:03:03	14	0.0	16.00	285.5	
06/10/200	00:05:14	11	0.0	15.94	0.0	
06/10/200	00:07:44	8	0.0	15.78	0.0	
06/10/200	00:10:14	20	0.0	15.75	0.0	
06/10/200	00:12:44	82	3.8	10.03	1.1	
06/10/200	00:15:14	102	5.1	8.85	13.7	

Well	Field	Job Start	Customer	Job Number
Paradox Basin 1	[redacted]adox Basin	Jun/09/2006	Golden [redacted]e Exploration	22185222437

Date	Time 24-hr clock	Treating Pressure PSI	Flow Rate B/M	Density LB/G	Volume BBL	Message
06/10/200	00:17:44	97	5.1	8.60	26.4	
06/10/200	00:20:14	83	5.1	8.42	39.2	
06/10/200	00:22:44	91	5.1	8.43	51.9	
06/10/200	00:25:14	97	5.1	8.43	64.7	
06/10/200	00:27:44	84	5.1	8.43	77.5	
06/10/200	00:30:14	84	5.1	8.43	90.2	
06/10/200	00:32:44	92	5.1	8.43	103.0	
06/10/200	00:35:14	82	5.1	8.43	115.7	
06/10/200	00:37:44	87	5.1	8.43	128.5	
06/10/200	00:40:14	88	5.1	8.43	141.3	
06/10/200	00:42:44	93	5.1	8.43	154.0	
06/10/200	00:45:14	77	5.1	8.43	166.8	
06/10/200	00:47:44	93	5.1	8.43	179.5	
06/10/200	00:50:14	136	5.1	8.43	192.3	
06/10/200	00:52:44	152	5.1	8.43	205.0	
06/10/200	00:55:14	54	0.8	8.44	209.5	
06/10/200	00:57:44	165	4.0	8.44	217.8	
06/10/200	01:00:14	104	2.5	8.44	226.4	
06/10/200	01:01:46					Bump Top Plug
06/10/200	01:01:46	1499	0.0	8.44	228.4	
06/10/200	01:01:47					End Displacement
06/10/200	01:01:47					End Water
06/10/200	01:01:47	1501	0.0	8.44	228.4	
06/10/200	01:01:49					Bump plug to 1510 psi
06/10/200	01:01:49					Circ pressure: 120 psi
06/10/200	01:01:49					No returns
06/10/200	01:01:49					Bump plug @ 215.5 bbl away
06/10/200	01:01:49	1498	0.0	8.44	228.4	
06/10/200	01:01:50					1 bbl back when bled off
06/10/200	01:01:50					DV tool closed
06/10/200	01:01:50	1496	0.0	8.44	228.4	
06/10/200	01:02:44	1466	0.0	8.44	228.4	
06/10/200	01:05:14	1140	0.0	8.44	228.4	
06/10/200	01:06:27					End Job
06/10/200	01:06:27	0	0.0	8.44	228.4	
06/10/200	01:07:47					Stopped Acquisition

Post Job Summary

Average Pump Rates, bbl/min			
Slurry	N2	Mud	Maximum Rate
6.0		0.0	8.4

Volume of Fluid Injected, bbl			
Total Slurry	Mud	Spacer	N2
789.0	0.0	32.0	

Treating Pressure Summary, psi				
Maximum	Final	Average	Bump Plug to	Breakdown
3877	1	156	2300	

Breakdown Fluid		
Type	Volume	Density

Avg. N2 Percent	Designed Slurry Volume	Displacement	Mix Water Temp	Cement Circulated to Surface? ☐	Volume
	780.0 bbl	581.5 bbl	65 degF	Washed Thru Perfs ☐	To

Customer or Authorized Representative	Schlumberger Supervisor	Circulation Lost [X]	Job Completed [X]
Marshall	Keith McGuire	-	-

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER: State Surface ML47365

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ OTHER

8. WELL NAME and NUMBER: Paradox Basin #1

2. NAME OF OPERATOR: Golden Eagle Exploration LLC

9. API NUMBER: 4301931455

3. ADDRESS OF OPERATOR: 1616 17th St., Ste. 600 CITY Denver STATE CO ZIP 80202

PHONE NUMBER: (303) 628-5429

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1006' FSL & 1729' FEL

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 16 23S 23E

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start: _____	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☑ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
6/12/2006	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: Weekly drilling activity report
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

WEEKLY DRILLING OPERATIONS REPORT
-Drill to 17-1/2" hole TD of 3980' KB at 04:30 hours on 6/9/2006.
-Run and cement 13-3/8" casing at 3932' KB, cement to surface 09:10 hours on 6/11/2006.
-Currently NU BOP's.

NAME (PLEASE PRINT) John C. Magill TITLE Consultant

SIGNATURE John C. Magill DATE 6/12/2006

(This space for State use only)

RECEIVED
JUN 15 2006
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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7. UNIT or CA AGREEMENT NAME:

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QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 16 23S 23E

STATE: UTAH

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	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☑ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion: 6/11/2006	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER: _____
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Drill 17-1/2 " hole to 3980' KB, TD at 04:30 5-Jun-2006.
Run 13-3/8" casing, 68# HCK-55 BTC from surface to 227' KB, 61# HCK-55 BTC from 227' to 2663' KB & 68# HCK-55 BTC from 2663' to 3932' KB at 03:30 9-jun-2006, stage collar at 1445' KB.

Cement in two stages as follows:
1st stage pump by plug and displacement method:
Lead w/ type: 35:65 Poz Class "G", quantity: 1220 sx, yield: 1.88 cu ft/sk, weight: 12.7 ppg;
Tail w/ type: Class "G", quantity: 300 sx, yield: 1.19 cu ft/sk, weight: 15.8 ppg, Plug down at 16:06 9-jun-2006.
2nd stage:
Lead w/ type: 35:65 Poz Class "G", quantity: 720 sx, yield: 1.88 cu ft/sk, weight: 12.7 ppg;
Tail w/ type: Class "G", quantity: 180 sx, yield: 1.19 cu ft/sk, weight: 15.8 ppg, Plug down at 01:01 10-Jun-2006.
Annulus top job down 1" tubing, pump type: Class G + 2% CaCl2, yield: 1.16 cu ft/sk, weight: 15.8 ppg as follows,
22 sx & WOC,
24.5 sx & WOC,
122 sx & WOC,
129 sx & WOC,
203 sx w/ returns to surface at 09:10 11-Jun-2006, WOC.

NAME (PLEASE PRINT) John C. Magill TITLE Consultant

SIGNATURE John C. Magill DATE 6/12/2006

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STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER: State Surface ML47365

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ OTHER

8. WELL NAME and NUMBER: Paradox Basin #1

2. NAME OF OPERATOR: Golden Eagle Exploration LLC

9. API NUMBER: 4301931455

3. ADDRESS OF OPERATOR: 1616 17th Street, Ste. 600 CITY Denver STATE CO ZIP 80202

PHONE NUMBER: (303) 628-5429

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1006' FSL & 1729' FEL

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 16 23S 23E

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start: 7/4/2006	☑ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER:
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

INTERMEDIATE CASING AND CEMENTING DETAILS
Drill 12-1/4 hole, run 9-5/8, USS FSS-95 & P-110, 53.5 #/ft to 10,800 ft (or shallower if loss circulation is a problem)

Cement intermediate casing by plug and displacement method from 10,800' to 8000' as follows:
Lead w/ type 35/65 Poz Class "G", quantity 470 sx, yield 2.03 cu ft/sk, weight 12.5 ppg.
Tail w/ type Class "G", quantity 210 sx, yield 1.16 cu ft/sk, weight 15.8 ppg.

NAME (PLEASE PRINT) John C. Magill TITLE Consultant

SIGNATURE John C. Magill DATE 6/23/2006

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STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

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5. LEASE DESIGNATION AND SERIAL NUMBER: State Surface ML47365

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ OTHER

8. WELL NAME and NUMBER: Paradox Basin #1

2. NAME OF OPERATOR: Golden Eagle Exploration LLC

9. API NUMBER: 4301931455

3. ADDRESS OF OPERATOR: 1616 17th Street, Ste. 600 CITY Denver STATE CO ZIP 80202

PHONE NUMBER: (303) 628-5429

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1006' FSL & 1729' FEL

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 16 23S 23E

STATE: UTAH

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	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
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☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
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	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER:
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

INTERMEDIATE CASING AND CEMENTING DETAILS
Drill 12-1/4 hole, run 9-5/8, USS FSS-95 & P-110, 53.5 #/ft to 10,800 ft (or shallower if loss circulation is a problem)

Cement intermediate casing by plug and displacement method from 10,800' to 8000' as follows:
Lead w/ type 35/65 Poz Class "G", quantity 470 sx, yield 2.03 cu ft/sk, weight 12.5 ppg.
Tail w/ type Class "G", quantity 210 sx, yield 1.16 cu ft/sk, weight 15.8 ppg.

COPY SENT TO OPERATOR
Date: 8-3-06
Initials: CHD

NAME (PLEASE PRINT) John C. Magill TITLE Consultant

SIGNATURE John C. Magill DATE 6/23/2006

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APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
DATE: 7/18/06
BY: Dustin

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* Cement Volumes should be determined on actual hole size in order to place cement from setting depth (± 10,800') back to ± 6700' in order to isolate Pennsylvanian age Formations (Honaker Trail)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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5. LEASE DESIGNATION AND SERIAL NUMBER: State Surface ML47365

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ OTHER

8. WELL NAME and NUMBER: Paradox Basin #1

2. NAME OF OPERATOR: Golden Eagle Exploration LLC

9. API NUMBER: 4301931455

3. ADDRESS OF OPERATOR: 1616 17th Street, Ste. 600 CITY Denver STATE CO ZIP 80202

PHONE NUMBER: (303) 628-5429

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1006' FSL & 1729' FEL

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 16 23S 23E

STATE: UTAH

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6/23/2006	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: Weekly drilling activity report
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

WEEKLY DRILLING OPERATIONS REPORT
-NU & test 13-5/8 5M BOP's
-Drill out beneath 13-3/8 casing w/ 12-1/4 bit 06:00 hours 6/20/2006
-Currently drilling 12-1/4 hole at 6282' KB at 06:00 hours 6/23/2006

NAME (PLEASE PRINT) John C. Magill TITLE Consultant

SIGNATURE John C. Magill DATE 6/23/2006

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GEOLOGICAL PROGNOSIS

Age	Formation	Depth KB (ft)	Thickness (ft)
Jurassic	Navajo	0	775
Triassic	Chinle	775	175
Triassic	Moenkopi	950	600
Triassic	Cutler	1550	5450
Pennsylvanian	Honaker Trail	7000	1500
Pennsylvanian	Paradox	8500	1200
Pennsylvanian	Hovenweep	9700	1100
Pennsylvanian	Barker Creek	10800	1300
Pennsylvanian	Alkali Gulch	12100	800
Pennsylvanian	Pinkerton Trail	12900	400
Mississippian	Leadville	13300	1100
Cambrian	Lynch	14400	500

Well Control Equipment & Procedures

In the unlikely event of a gas kick occurring, the well shall be shut in using the hard shut in technique. The preferred method for killing the well is the "Wait and Weight" method.

All primary kick detection alarms, if available, (return flow, pit volumes, gas etc) will be set and functional prior to drilling any potential hydrocarbon or water zones. If any indications of a kick are noted then the well should be shut in immediately, shut in pressures monitored and the drilling supervisor and tool pusher notified.

All well control equipment should be function tested daily, except the pipe rams, which should be function tested on each trip out of the hole.

BOP EQUIPMENT, DRILLS AND TESTING

BOP drills shall be conducted with each crew, periodically, to ensure proficiency with the procedures fro shutting in wells.

A kill drill shall be conducted prior to drilling out a new string of casing.

BOP's shall be pressure tested every 14 days after installation and initial testing.

Pipe rams and annular preventers shall be operated on a daily basis with blind rams being operated on each trip out of the hole. Manual closing controls are to be

Well name:	**07-06 Golden Eagle Paradox Basin 1 rev.**
Operator:	**Golden Eagle Exploration, LLC.**
String type:	Intermediate
Project ID:	43-019-31455
Location:	Grand County

Design parameters:

Collapse
Mud weight: 8.900 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 5,190 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 6,486 psi

No backup mud specified.

Minimum design factors:

Collapse:
Design factor 1.125

Burst:
Design factor 1.00

Tension:
8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.
Neutral point: 9,349 ft

Environment:
H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 216 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: 6,976 ft

Non-directional string.

Re subsequent strings:
Next setting depth: 14,500 ft
Next mud weight: 9.200 ppg
Next setting BHP: 6,930 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 10,800 ft
Injection pressure 10,800 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	10800	9.625	53.50	P-110	LT&C	10800	10800	8.5	1166

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	4993	7950	1.592	6486	10900	1.68	500	1422	2.84 J
USS-Fed 95		8850	1.772	~~6486~~	8420	1.30		1321	2.64 J

LE @ TD

ok. DuD 7/18/06

Prepared by: Dustin K. Doucet, Utah Div. of Oil & Mining
Phone: 801-538-5281
FAX: 810-359-3940
Date: July 18,2006
Salt Lake City, Utah

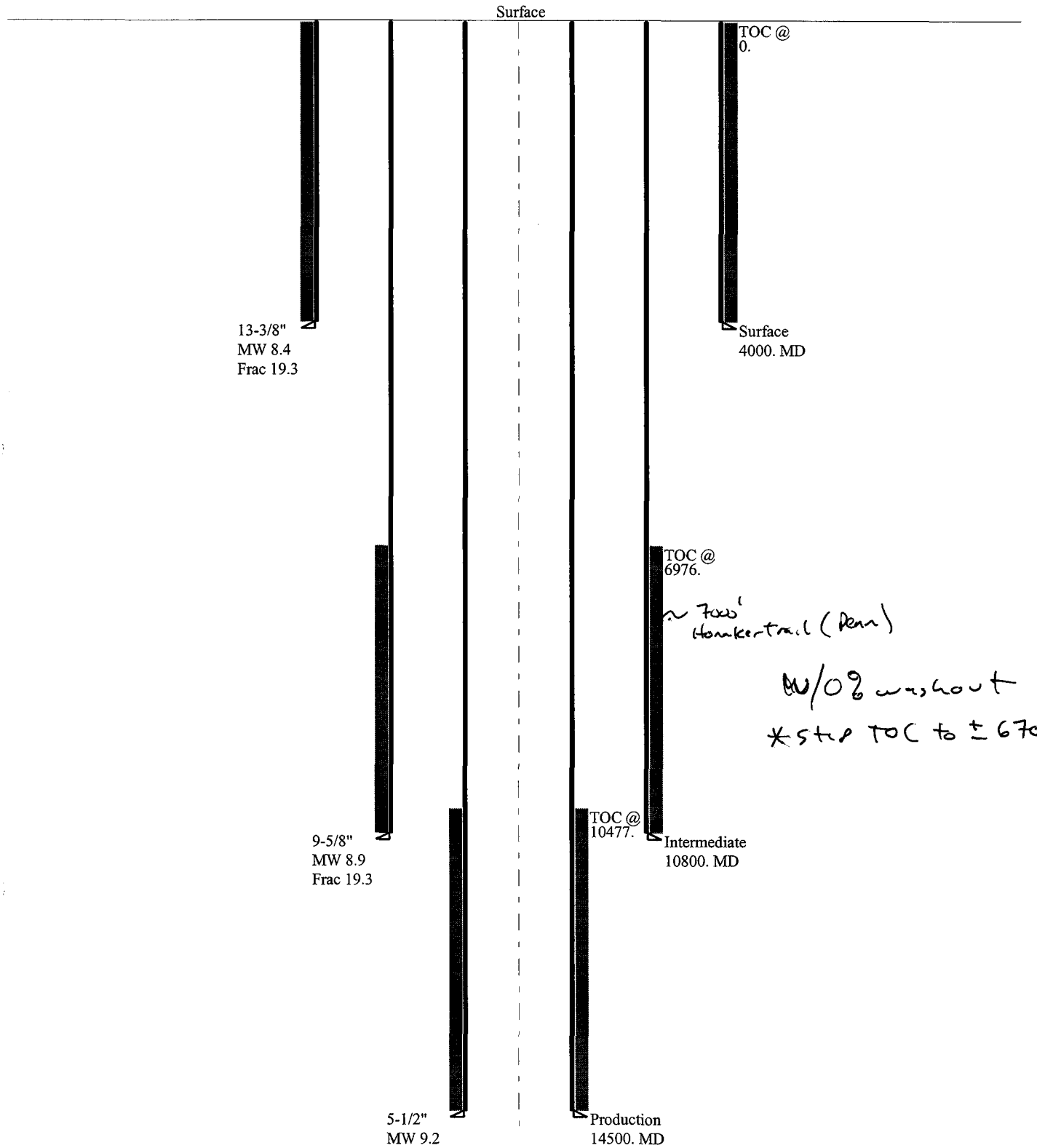
Remarks:
Collapse is based on a vertical depth of 10800 ft, a mud weight of 8.9 ppg The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

[redacted]-06 Golden Eagle Paradox B[redacted]n 1 rev.

Casing Schematic



Grade: USS-FSS95 **O.D.:** 9.625 **Wall:** 0.545

Wt/Ft (T&C)	Collapse[2]		Pipe Body Internal Pressure (psi)			PE Yield Strength (Kips)
	Setting Depth (SF @ 1.125-ft.)	Pressure (psi)	Min. Internal Yield	Test Pressure	80% Min. Yield Strength	
53.50	15740	8850	8420	3000	7700	1321

End Finish[1]	Joint Strength[3]			
	Regular Coupling Setting Depth (SF @ 1.8-ft.)	Regular Coupling Yield Load (Kips or 1000 lbs.)	Special Clearance Coupling - Setting Depth (SF @ 1.8-ft.)	Special Clearance Coupling Yield Load (Kips or 1000 lbs.)
API-STC	N/A	N/A	N/A	N/A
API-LTC	10870	1047	N/A	N/A
API-BTC	13640	1314	9700	934

End Finish[1]	Regular Coupling Internal Pressures			Special Clearance Coupling Internal Pressures		
	Min. Internal Yield	Test Pressure	80% Min. Yield Strength	Min. Internal Yield	Test Pressure	80% Min. Yield Strength
API-STC	8420	7700	7700	N/A	N/A	N/A
API-LTC	8420	7700	7700	N/A	N/A	N/A
API-BTC	8420	7100	7100	5140	4300	4300

Notes:

1. API-STC = Short Round Thread, API-LTC = Long Round Thread, API-BTC = Buttress Thread.
2. Collapse setting depths are based on 9.625 lb. per gallon, or 72 lb. per cubic ft. (0.5 psi per ft. of depth) mud weight.
3. Values are based on standard grade couplings for the grade identified.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER: State Surface ML47365

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ OTHER

8. WELL NAME and NUMBER: Paradox Basin #1

2. NAME OF OPERATOR: Golden Eagle Exploration LLC

9. API NUMBER: 4301931455

3. ADDRESS OF OPERATOR: 1616 17th Street, Ste. 600 CITY Denver STATE CO ZIP 80202

PHONE NUMBER: (303) 628-5429

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1006' FSL & 1729' FEL

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 16 23S 23E

STATE: UTAH

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	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☑ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion: 7/20/2006	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: Weekly drilling activity report
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

WEEKLY DRILLING OPERATIONS REPORT
Drill to 6742 w/ 12-1/4 bit 08:00 hours 7/1/2006
Fish for lost cones 06:00 7/3/2006
Rig repairs - damaged crown block sheaves on DHS rig #12 06:00 7/20/2006

NAME (PLEASE PRINT) John C. Magill TITLE Consultant

SIGNATURE John C Magill DATE 7/20/2006

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FORM 9

STATE OF UTAH
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5. LEASE DESIGNATION AND SERIAL NUMBER: State Surface ML47365

SUNDRY NOTICES AND REPORTS ON WELLS

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7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ OTHER

8. WELL NAME and NUMBER: Paradox Basin #1

2. NAME OF OPERATOR: Golden Eagle Exploration LLC

9. API NUMBER: 4301931455

3. ADDRESS OF OPERATOR: 1616 17th Street, Ste. 600 CITY Denver STATE CO ZIP 80202

PHONE NUMBER: (303) 628-5429

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL

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COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 16 23S 23E

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Date of work completion: 9/6/2006	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: Weekly drilling activity report
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

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Rig repairs - 7/20/2006 through 8/15/2006
Fish for lost cones 18:00 8/15/2006 through 14:00 8/20/2006
Drill from 6742 ft to 8073 ft from 14:00 8/20/2006 through 16:00 9/6/2006

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DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) John C. Magill TITLE Consultant

SIGNATURE John C Magill DATE 9/6/2006

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FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47365

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA

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7. UNIT or CA AGREEMENT NAME: Golden Eagle 70

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☐ OTHER Exploratory Well

8. WELL NAME and NUMBER: Paradox Basin #1

2. NAME OF OPERATOR: Golden Eagle Exploration LLC N-3045

9. API NUMBER: 4301931455

3. ADDRESS OF OPERATOR: 1515 17th Street Suite 600 CITY Denver STATE CO ZIP 80202

PHONE NUMBER: (303) 628-5429

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1006 FSL, 1729 FEL

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 16 23S 23E

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12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Golden Eagle is continuing drilling on the earning well in the Golden Eagle 70 Federal Exploratory Unit.
We are having to drill deeper to encounter all the geologic formatons we had proposed to drill.
Our original TD was estimated at 14,500 feet.
We propose to drill to 15,900 feet.

Have set an intermediate string of 9 5/8" casing, (T-95, L-80) to 9494 feet.
A 10,000# BOP stack was installed before drilling out of the intermediate string with an 8 1/2" hole.
Normally pressured, will adjust cement quantities for deeper depth

COPY SENT TO OPERATOR
Date: 11-15-06
Initials: RM

NAME (PLEASE PRINT) Gary Nydegger TITLE Agent, Golden Eagle Exploration LLC

SIGNATURE [signature] DATE 11/13/2006

(This space for State use only)

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
DATE: 11/13/06
BY: [signature]

(5/2000) (See Instructions on Reverse Side)

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NOV 13 2006
DIV. OF OIL, GAS & MINING

TOTAL P.02

Gary L. Nydegger, PE, PG
1105 Yank Street
Golden, CO 80401-4224
garynydegger@comcast.net
303-237-2883
fax 303-238-1838

FAX COVER LETTER

Date: 11/13/06

Please deliver the following pages to:

Name: Dustin Doucet

Please send copy to GN also!

FAX No.: 801-359-3940

Phone No.: 801-538-5281

Firm: DOGM.

City, Country: SLC, USA

From: Gary

____ GLNA, LLC
____ Gary L. Nydegger & Associates
_V_ Gary L. Nydegger, P.E., P.G.
____ Arctic Falcon Exploration, LLC
All @ 1105 Yank St., Golden, CO U.S.A. 80401-4224

COMMENTS: For Golden Eagle Sundry Notice Form 9, Deepening Paradox Basin #1 to 15,900 Ft.

Tell Erlene we have it handled!
GF

This is Page 1 of 2 pages. If you do NOT receive all the pages, please call back as soon as possible @ FAX (303)-238-1838 or phone (303)-237-2883. If you receive this fax by mistake please call and let us know. Thank you!

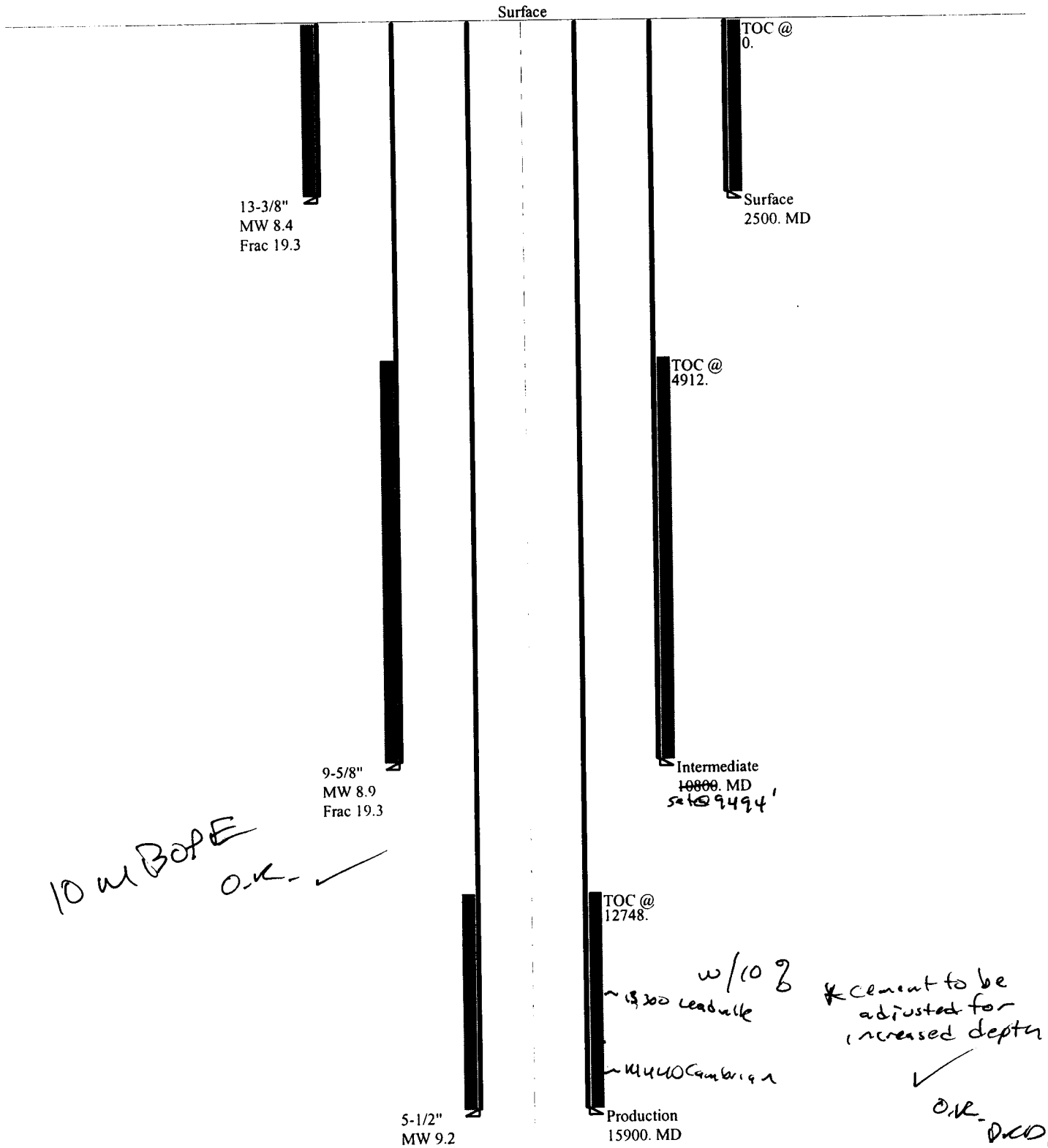
Professional Engineer
COLORADO No. 26279

SIPES
No. 1591

Professional Geologist
WYOMING No. 2150

01-06 GLNA Paradox Basin 1rev.

Casing Schematic



Well name:	**01-06 GLNA Paradox Basin 1rev.**
Operator:	**Delta Petroleum Corporation**
String type:	Production
Project ID:	43-019-31455
Location:	Grand County

Design parameters:

Collapse

Mud weight: 9.200 ppg
Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 4,101 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 7,599 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.
Neutral point: 13,710 ft

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 288 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: 12,748 ft

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	15900	5.5	23.00	N-80	Buttress	15900	15900	4.545	1891.3

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	7599	11160	1.469	7599	8990	1.18	315	530	1.68 B

Prepared by: Dustin K. Doucet
Div of Oil,Gas & Minerals
Phone: 801-538-5281
FAX: 810-359-3940
Date: November 13,2006
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 15900 ft, a mud weight of 9.2 ppg The casing is considered to be evacuated for collapse purposes.
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER: State Surface ML 47365

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ OTHER

8. WELL NAME and NUMBER: Paradox Basin #1

2. NAME OF OPERATOR: Golden Eagle Exporation LLC

9. API NUMBER: 4301931455

3. ADDRESS OF OPERATOR: 1616 17th street,ste,600 CITY Denver STATE CO ZIP 80202

PHONE NUMBER: (303) 628-5429

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1006'fsl&1729'FEL

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 16 23S 23E

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start: 9/10/2007	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☑ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER:
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

We are drilling down to 15,508' with 8 1/2" hole we are going to set casing on top of the molas formation and run hanger to 9186' with 7" I-80 26 lb ltc thread liner.
We will do 2-stage cement job on from 15,508 to top of salt bed at 13,000', stage one cement 50/50 Poz 2% gel,20% ssa-1,.3%halad-413,.4%hr-5,3lbs/sk silicalite 1/8 lbs/sk Ploy/flake 14.30 lb yeild 1.47 watern6.36 gal/sk. 200 Sacks
Stage two 50/50 POZ .3% halad -766, 5lbs/sk Siliclaite,.1% versaset,20% ssa-1,5% zonesealant 2000 Weight lb/gal 14.30 Yeild 1.47 water 6.41 Gal/sk. Displacement 8.33 Displacement Fresh Water.

We had had trouble and could not get off are liner hanger and we are going to mill down to top of hanger at 9148' and try to retreive hanger assembly. We have been doing that senses nov 28/2007 We are now on top of hanger and about to fish it out.
We' are going to cement 7" to surface from 9100' to make sure casing is secure
Then we will run bond log and test integrety of the well.
I sent a form 9 into deepen well to 18,000' feet and sent in cementing report
We will drill down to + or - 18,000' if we have too.
We should be ready to drill out from 15,508' on around 26/03/2007 after all surface equipment is test and every thing is good.

NAME (PLEASE PRINT) ED SCOTT TITLE CONSULTANT

SIGNATURE Eddie Scott DATE 3/19/2007

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MAR 19 2007
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(5/2000) (See Instructions on Reverse Side)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:	State Surface ML 47365
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	N/A
7. UNIT or CA AGREEMENT NAME:	N/A
1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ OTHER	8. WELL NAME and NUMBER: Paradox Basin #1
2. NAME OF OPERATOR: Golden Eagle Exploration LLC	9. API NUMBER: 4301931455
3. ADDRESS OF OPERATOR: 1616 - 17th St, Suite 600 Denver CO 80202 / PHONE NUMBER: (303) 628-5429	10. FIELD AND POOL, OR WILDCAT: Wildcat
4. LOCATION OF WELL: FOOTAGES AT SURFACE: 1006' FSL & 1729' FEL	COUNTY: Grand
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 16 23S 23E	STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start:	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☒ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER: Monthly update
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Monthly operations update: Milled, washed over and recovered fish @ top of 7" liner @ 9182', cleaned out liner down to 14315', ran and cemented 7' scab liner from surface to 9159', N/D BOPs, N/U "B" section of wellhead, N/U BOPs, pressure tested all BOP components and choke manifold to 10000 PSI, cleaned out 7"scab liner and 7" liner to 14444', ran Cement Bond Log, drilled out cement, float collar, and shoe, drill ahead 6 1/8" hole. Depth @ 12:00 hrs 4/17/07 15640'

7" scab liner details: Ran 215 jts. 7", 26 lb/ft, L-80, 8 RD, LT&C, new casing. Shoe set @ 9159'

Cementing details: Pumped 100 bbls Baracor 700 preflush ahead, mixed and pumped 440 sks HLC 65%cement, 35% Poz, 6% gel, + 0.35% HR-5+ 0.125 lb/sk Pol-E-Flake lead cement, density 12.70 PPG, followed by 430 sks 50/50 Poz+ 2% gel+ 0.20% HR-5+ 0.125 lb/sk Pol-E-Flake+ 3 lb/sk Sillicalite+ 0.75% Halad - 322+ 3% KCL (BWOW), tail slurry, density 13.40 PPG, dropped plug, displaced w/ 349 bbls. H2O, bumped plug, bled off, floats held OK. No cement returns @ surface. Calculated top of cement @ 4600'. Plug down @ 07:14 hrs. 04/05/07

Cement bond found to be good over all zones of interest or concern. Bond log available if required.

NAME (PLEASE PRINT) Thomas T. J. (Terry) Dunn TITLE Drilling Supervisor

SIGNATURE [signature] DATE 4/17/2007

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(5/2000) (See Instructions on Reverse Side)

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER: State Surface ML47365

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER _____

8. WELL NAME and NUMBER: Paradox Basin # 1

2. NAME OF OPERATOR: Golden Eagle Exploration LLC

9. API NUMBER: 4301931455

3. ADDRESS OF OPERATOR: 1616 - 17th St., Suite 600 Denver CO 80202

PHONE NUMBER: (303) 628-5429

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1006' FSL & 1729' FEL

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 16 23S 23E

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☑ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start: _____	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion: _____	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER: _____
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The purpose of this sundry notice is to request an amendment to change the projected TD of the Paradox Basin #1 well to 18,000' from the original approved TD. The reason for this request is the actual formation tops have all come in deeper than was projected on the original geological prognosis used to apply for approval to drill the well.

Casing details: 5 1/2" 20 lb/ft, L-80, R3, 8 RD, LT&C new casing ran as a liner from +- 12,500' to TD, and cemented in place. Note: The 6 1/8" hole will be underreamed to 7 7/8" diameter prior to running the 5 1/2" liner to ensure good cementation.

Cement details: Cement slurry 50/50 Poz* 20% silica flour+ 5 lb/sk compacted sillicalite+ 0.6% HR-601+ 2% ZS-2000. Base cement wt. 14.3PPG, foamed to 10.5 - 11PPG with N2. Free water 0, Fluid loss < 100cc. Compressive strength 1000 psi in 24 hrs. ± 900 SK @ 50% excess

COPY SENT TO OPERATOR
Date: 4.23.07
Initials: RM

NAME (PLEASE PRINT) Thomas T. J. Dunn (TERRY) TITLE Drilling Supervisor

SIGNATURE _____ DATE 4/19/2007

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APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
DATE: 4/20/07
BY: _____
(See Instructions on Reverse Side)

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APR 19 2007
DIV. OF OIL, GAS & MINING

(5/2000)

From: T D <cynter@sasktel.net>
To: Dustin Doucet <dustindoucet@utah.gov>
Date: 4/19/2007 9:07 PM
Subject: Additional information.
Attachments: cynter.vcf

Good Evening Dustin,

Here is the additional information that you require. The yield for that particular type of cement slurry is as follows:

- for the base slurry weight 14.3 ppg 1.4 cu/ft per sack.
- For the slurry after N2 injection weight 10.5 ppg 1.6 cu/ft per sack.

The cement volume requirements shall be calculated using the following method: Calculated annular volume + 50% excess or annular volume determined from the caliper logs + 30% excess. The volume that is greatest will be order the number of sacks of cement required, If you have any other questions or concerns do not hesitate to call or email me.

Respectfully yours,
Terry Dunn

Golden Eagle Resources
Paradox Basin #1

18,000 ft Production Liner

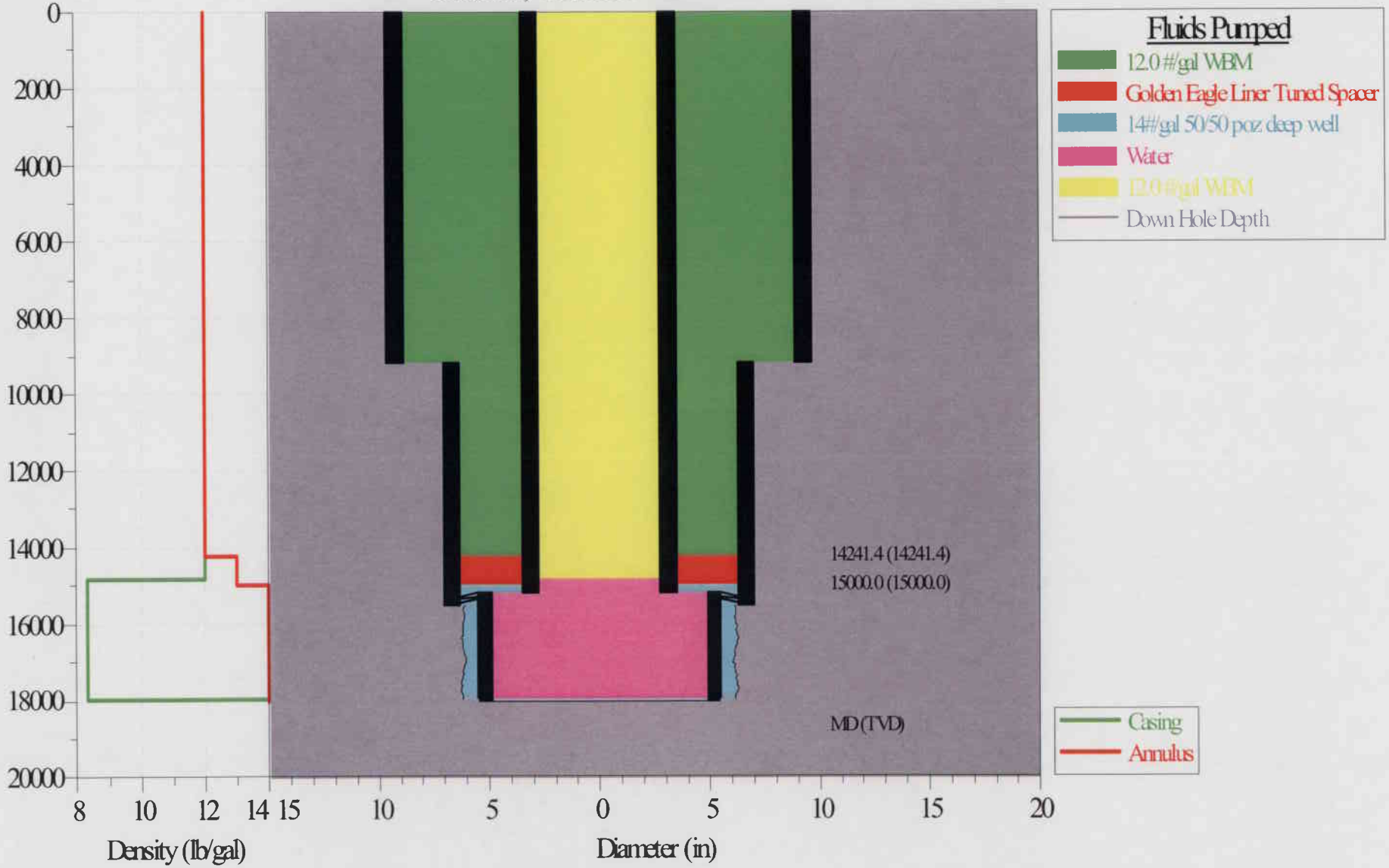
Rough Pump Schedule

- Tuned Spacer 20bbls
- 14#/gal Deep Well type slurry
  - Top of Cement 200' above liner hanger
- Top Plug
- Displacement with Fresh water
  - Displace with fresh to 14,800'
- Finish Displacement with drilling fluid to balance hydrostatics.

OptiCem

Fluid Positions at Job End

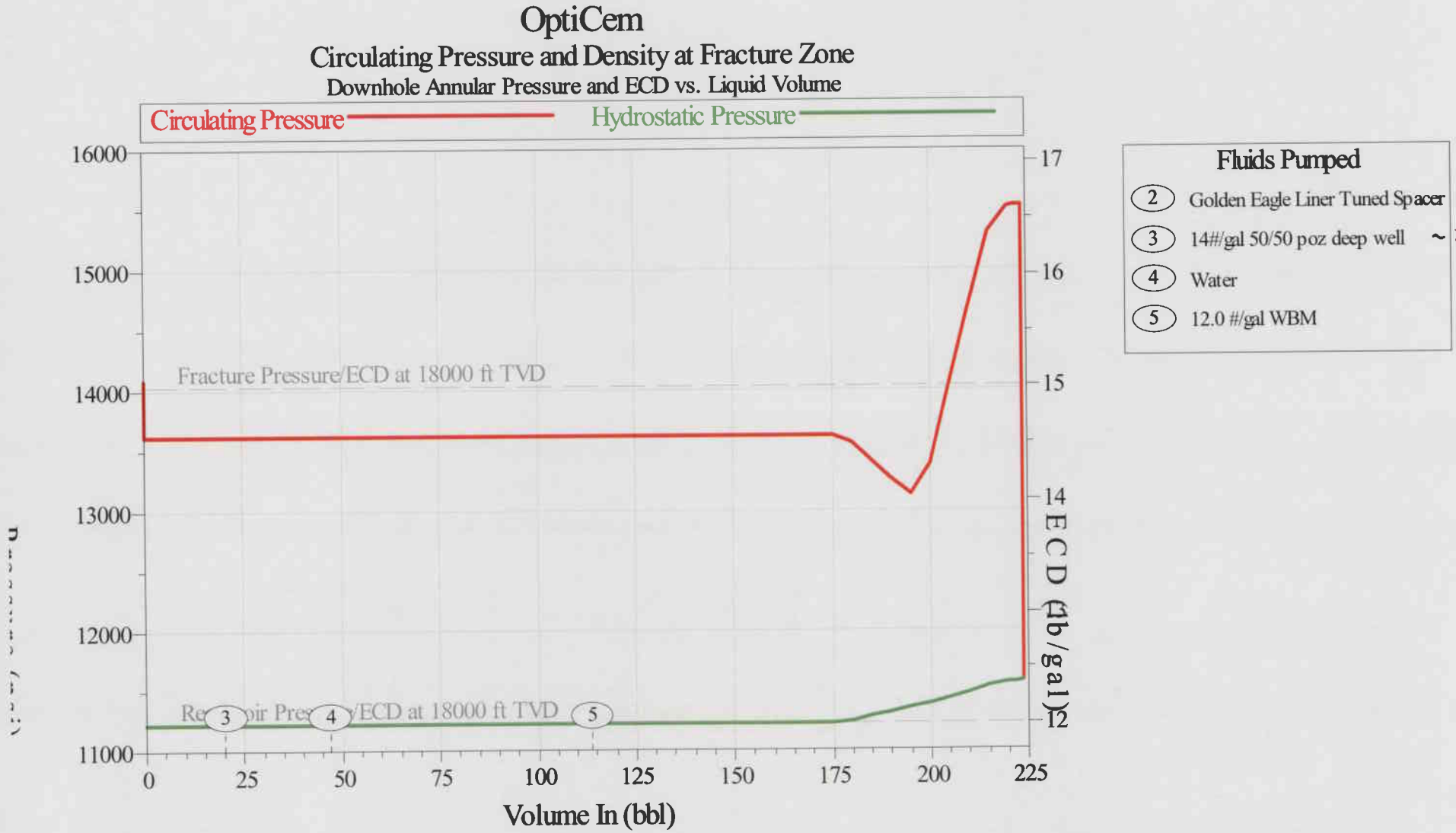
Time = 55.90 min, Volume In = 223.51 bbl



Customer:	Job Date: 13-Mar-2007	Sales Order #:
Well Description:	UWI:	

HALLIBURTON
OptiCem v6.1.1
14-Mar-07 15:54

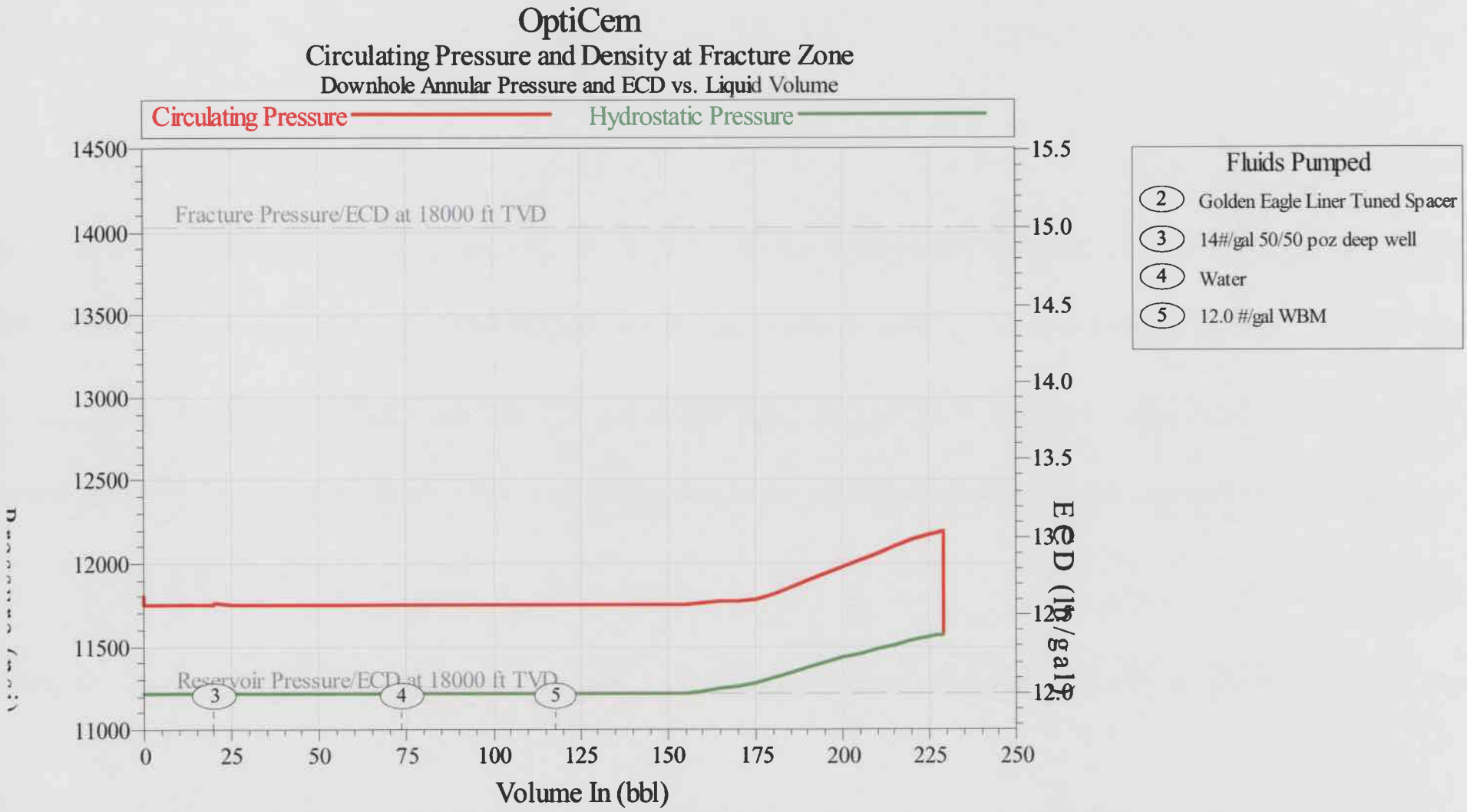
Opticem simulation with 5.5" Production liner



Customer: Well Description:	Job Date: 13-Mar-2007 UWI:	Sales Order #:

HALLIBURTON
OptiCem v6.1.1
14-Mar-07 15:53

Opticem simulation with 4.5” Production liner

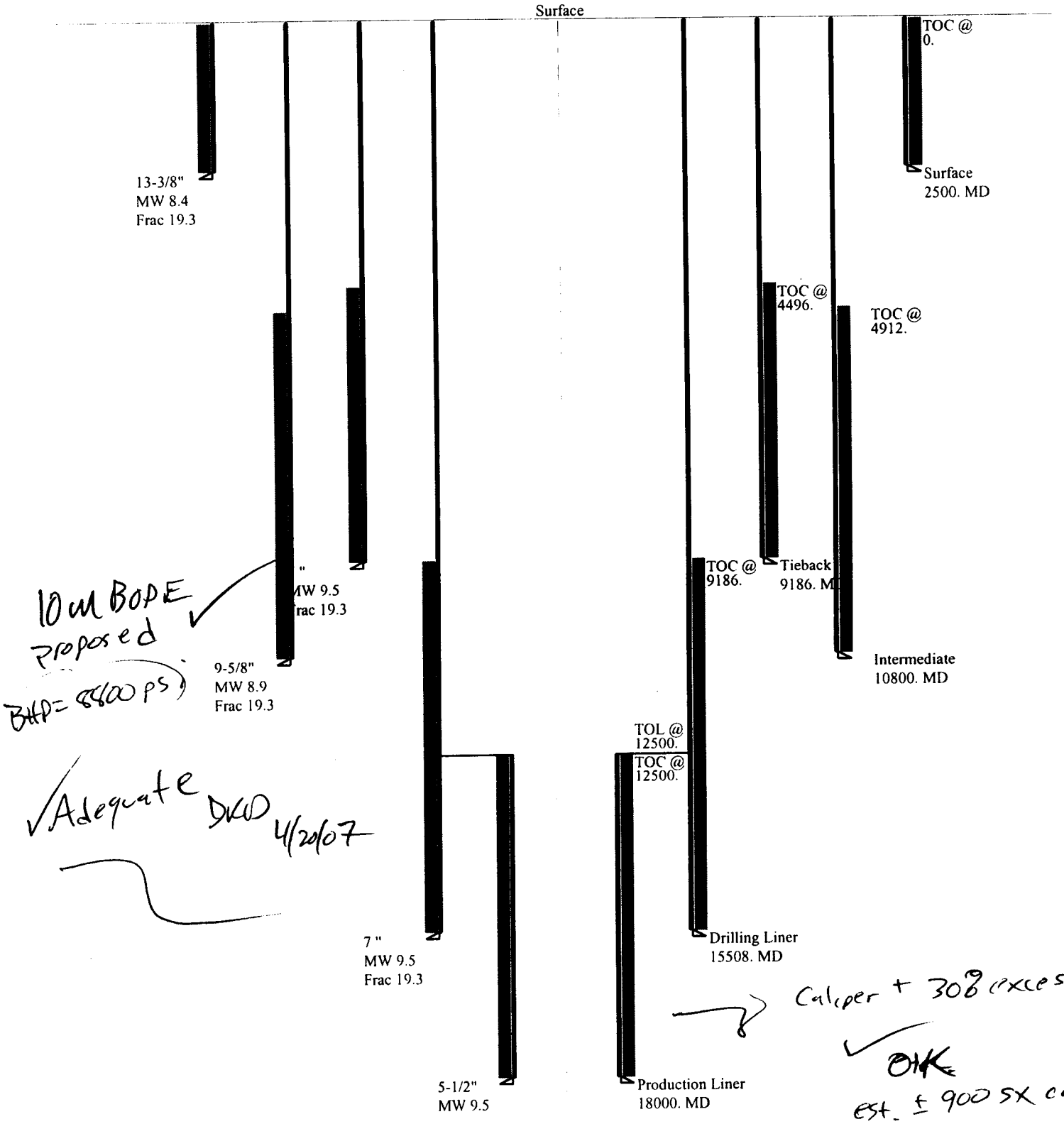


Customer: Well Description:	Job Date: 13-Mar-2007 UWI:	Sales Order #:

HALLIBURTON
OptiCem v6.1.1
13-Mar-07 17:02

01-06 Golden Eagle Paradox Basin 1revII.

Casing Schematic



Well name:	**01-06 Golden Eagle Paradox Basin 1revII.**
Operator:	**Golden Eagle**
String type:	Production Liner
Project ID:	43-019-31455
Location:	Grand County

Design parameters:

Collapse

Mud weight:	9.500 ppg
Internal fluid density:	2.320 ppg

Burst

Max anticipated surface pressure:	4,923 psi
Internal gradient:	0.220 psi/ft
Calculated BHP	8,883 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor	1.125

Burst:

Design factor	1.00

Tension:

8 Round STC:	1.80 (J)
8 Round LTC:	1.80 (J)
Buttress:	1.60 (J)
Premium:	1.50 (J)
Body yield:	1.50 (B)

Tension is based on buoyed weight.
Neutral point: 17,209 ft

Environment:

H2S considered?	No
Surface temperature:	65 °F
Bottom hole temperature:	317 °F
Temperature gradient:	1.40 °F/100ft
Minimum section length:	1,500 ft
Cement top:	12,500 ft
Liner top:	12,500 ft

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft^3)
1	5500	5.5	20.00	L-80	LT&C	18000	18000	4.653	684.8

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	6714	8830	1.315	8883	9190	1.03	94	416	4.42 J

Prepared by: Dustin K. Doucet
Div of Oil,Gas & Minerals
Phone: 801-538-5281
FAX: 810-359-3940

Date: April 20,2007
Salt Lake City, Utah

Remarks:
For this liner string, the top is rounded to the nearest 100 ft.Collapse is based on a vertical depth of 18000 ft, a mud weight of 9.5 ppg An Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER: State Surface ML 47365

SUNDRY NOTICES AND REPORTS ON WELLS

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7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ OTHER _____

8. WELL NAME and NUMBER: Paradox Basin #1

2. NAME OF OPERATOR: Golden Eagle Exporation LLC

9. API NUMBER: 4301931455

3. ADDRESS OF OPERATOR: 1616 17th street,ste,600 Denver CO 80202

PHONE NUMBER: (303) 628-5429

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1006'fsl&1729'FEL

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 16 23S 23E

STATE: UTAH

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Approximate date work will start: 9/10/2006	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
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	☑ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☑ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: Drilling Reports
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Drilling Report from 9/10/06 to 3/14/07

We are drilling down to 15,508' with 8 1/2" hole we are going to set casing on top of the molas formation and run hanger to 9186' with 7" I-80 26 lb ltc thread liner.
We will do 2-stage cement job on from 15,508 to top of salt bed at 13,000' , stage one cement 50/50 Poz 2% gel,20% ssa-1,.3%halad-413,.4%hr-5,3lbs/sk silicalite 1/8 lbs/sk Ploy/flake 14.30 lb yeild 1.47 watern6.36 gal/sk. 200 Sacks
Stage two 50/50 POZ .3% halad -766, 5lbs/sk Siliclaite,.1% versaset,20% ssa-1,5% zonesealant 2000 Weight lb/gal 14.30 Yeild 1.47 water 6.41 Gal/sk. Displacement 8.33 Displacement Fresh Water.

We had had trouble and could not get off are liner hanger and we are going to mill down to top of hanger at 9148' and try to retreive hanger assembly. We have been doing that senses nov 28/2006 We are now on top of hanger and about to fish it out .

Future Plans

We are going to cement 7" to surface from 9100' to make sure casing is secure
Then we will run bond log and test integrety of the well.
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We will drill down to + or - 18,000' if we have too.
We should be ready to drill out from 15,508' on around 26/03/2007 after all surface equipment is test and every thing is good.

NAME (PLEASE PRINT) ED SCOTT TITLE CONSULTANT

SIGNATURE Ed Scott DATE 3/19/2007

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MAR 19 2007
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

JON M. HUNTSMAN, JR.
Governor
GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
MICHAEL R. STYLER
Executive Director
Division of Oil, Gas and Mining
JOHN R. BAZA
Division Director

May, 3,2007

John Hasleby
Golden Eagle Exploration, LLC
1616 17TH ST, STE 600
Denver, CO 80202

43·019·31455
23S 23E 16

Disposal of Exploration and Production (E&P) Waste: Paradox Basin #1

Gentlemen:

Per field conversation on May 2, 2007 at the Paradox Basin #1well site with company representatives the Division has determined clarification concerning proper disposal of Exploration and Production (E&P) waste is appropriate.

According to the Oil and Gas Conservation Act 40-6-1 et seq. U.C.A. (1953 as amended) the Division (DOGM) and Board of Oil, Gas and Mining are the primary authorities for the regulation of oil and gas activities on all lands and lease hold interests within the state of Utah. Drilling mud's, cuttings and produced water are Exempt E&P Waste's subject to fore mentioned authority, and under the jurisdiction of the Division of Oil, Gas and Mining (DOGM). Approved methods of disposal for E&P waste include:

-Use of a disposal facility permitted by DOGM to accept the type of waste being disposed.
-Remediate onsite according to standards found in the Utah Oil and Gas Environmental Handbook.

Methods of disposal such as Road spreading or Land spreading shall not be engaged in without prior written approval from the Division (DOGM). Permitting of these types of activities will require involvement by the land management agency/owner, the Department of Environmental Quality and the Division on Oil, Gas and Mining.

If you have questions feel free to contact me at (435) 613-1146 ext. 205

Respectfully,

Bart Kettle
Petroleum Operations Specialist

Enclosure
cc: Well file
Rich McClure, Moab BLM
Dave Warner, Grand County Road Superintendent
LaVonne Garrison, SITLA
Terry Dunn, Cynter Oilfield Services Ltd

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

UTAH DNR OIL, GAS & MINING

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER: State Surface ML47365

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER _____

8. WELL NAME and NUMBER: Paradox Basin # 1

2. NAME OF OPERATOR: Golden Eagle Exploration LLC

9. API NUMBER: 1301931455

3. ADDRESS OF OPERATOR: 1616 - 17th St., Suite 600 Denver CO 80202

PHONE NUMBER: (303) 628-5429

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1006" FSL & 1729" FEL

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 16 23S 23E

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start: _____	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☑ PLUG BACK	☐ WATER DISPOSAL
Date of work completion: _____	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER: _____
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The purpose of this sundry notice is to request approval to plug the well back from TD @ 16,471' to 15,400'. The reason for this request is there is a zone of interest that we want to test above this depth and require isolation from the zones below.

Plugging Procedure: We propose to set a cement plug from TD @ 16,471' to 15,350. This will be done in two stages. Stage # 1 16,471' to 15,910'. POOH to 15,910' and circulate the excess cement out of the hole. Stage # 2 15,910' to 15,350'. POOH to 15,350' and circulate the excess cement out of the hole. We will then POOH and pick up a bit and RIH to the top of the cement plug and dress it off to a depth of 15,400'.

Cementing Details: The cement volume shall be determined using the hole volume taken from the caliper log ran May 03/07 + 20% excess. The hole volume was 225 cu/ft. The cement blend will be as 94 lbm/sk Premium Cement + 35% SSA-1 + 0.3% CFR-3 + 0.4% HR-12 + 4 lbm/sk Pheno Seal Coarse. Slurry Yield: 1.57 ft3/sk. Slurry Density: 15.60 PPG

7" set @ 14968'
Leadville Top @ 15573'
6 1/8" hole to TD @ 16471'

COPY SENT TO OPERATOR
Date: 5-10-07
Initials: CHD

NAME (PLEASE PRINT) Thomas T. J. (Terry) Dunn TITLE Drilling Supervisor

SIGNATURE _____ DATE 5/5/2007

(This space for State use only)

20% excess = 270 cuft = 11% washout = 172 sx Cement ✓

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
DATE: 5/7/07
BY: _____

(5/2000) (See Instructions on Reverse Side)

RECEIVED
MAY 07 2007
DIV. OF OIL, GAS & MINING

From: T D <cynter@sasktel.net>
To: Dustin Doucet <dustindoucet@utah.gov>
Date: 5/6/2007 9:59 AM
Subject: Sundry Notice Paradox Basin #1
Attachments: Plug back request.pdf; cynter.vcf

Good Morning Dustin,
Attached is the sundry notice for what we had discissed on friday afternoon. I trust this notice has all the details that you require. Should you have any questions or concerns please do not hestiate to contact me @ 306 441-4415 or by email. Thanks again for your help in this matter. Hope you had a great weekend.
Respectfully yours,
Terry Dunn

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER: State Surface ML47365

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: Paradox Basin # 1

2. NAME OF OPERATOR: Golden Eagle Exploration LLC

9. API NUMBER: 4301931455

3. ADDRESS OF OPERATOR: 1616 - 17th St. ,Suite 600 Denver CO 80202

PHONE NUMBER: (303) 628-5429

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1006'FSL & 1729' FEL

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 16 23S 23E

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start:	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☑ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER:
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12 DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The purpose of this sundry notice is to request approval to plug the well back from 15,400' into the 7" casing to 14868'. The 7" casing shoe is @ 14968'. Note: 158' Fish in open hole section (DST tool) will place cement above tool and P&A below. DLD
We would also request approval to abandon any and all zones that are tested through the 7" casing should they not be found to be productive. We have picked the following intervals to perforate and test inside the 7" casing. 13,145' to 13,154', 12,558' to 12,580', 10815' to 10,834', 9845' to 9858'.
Open Hole Plugging Procedure: We propose to set a cement plug from 15,400' to 14,868'. This will be done in one stage. We will then POOH to 14,868' and circulate excess cement out of the hole. We will then WOC a minimum of 8 hrs. or until surface samples are hard and RIH to feel the plug.
Cementing Details: The cement volume will be determined using the hole volume taken from the caliper log ran May 03/07 + 50% excess. The hole volume was 477 cu/ft. The cement blend will be 94 lbm/sk Premium cement + 35% SSA-1 + 0.3% CFR-3 + 0.4% HR-12 + 4 lbm/sk Pheno Seal Coarse. Slurry Yield 1.57 ft3/sk. Slurry Density: 15.60 PPG.
Casing Perforation Abandonment Procedure: Once a zone is perforated and tested and found non productive we propose to do the following: Set a permanent bridge plug in the casing above the perforations, pressure test the bridge plug to 1000 PSI and dump bail 50' of neat class "G" cement on the top of the permanent bridge plug. Yield for Neat class "G" cement: 1.15 ft3/sk.

Should any of the cased hole intervals of interest prove to be productive a further sundry notice will be filed requesting approval to complete the interval.

NAME (PLEASE PRINT) Thomas T. J. (Terry) Dunn TITLE Drilling Supervisor

SIGNATURE [signature] DATE 5/11/2007

(This space for State use only)

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
DATE: 5/14/07
BY: [signature]
(See Instructions on Reverse Side)

COPY SENT TO OPERATOR
Date: 5/22/07
Initials: CHD

RECEIVED
MAY 11 2007

(5/2000)

From: T D <cynter@sasktel.net>
To: Dustin Doucet <dustindoucet@utah.gov>
Date: 5/11/2007 11:24 AM
Subject: Sundry Notice Paradox #1
Attachments: Plug back request 2.pdf; cynter.vcf

Good Morning Dustin,
Attached is the sundry notice for what we discussed earlier this week. I trust this notice has all the information and details that you require. Should you have any questions or concerns please do not hesitate to contact me @ 306 441-4415 or by email. Thanks for your advice and assistance in this matter.
Have a great day.
Respectfully yours,
Terry Dunn

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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5. LEASE DESIGNATION AND SERIAL NUMBER: State Surface ML47365

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: Paradox Basin #1

2. NAME OF OPERATOR: Golden Eagle Exploration LLC

9. API NUMBER: 4301931455

3. ADDRESS OF OPERATOR: 1616 - 17 St., Suite 600 Denver CO 80202

PHONE NUMBER: (303) 628-5429

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1006' FSL & 1729' FEL

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 16 23S 23E

STATE: UTAH

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Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: Monthly Update.
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Monthly Operations Update: Drilled ahead 6 1/8" hole from 15,640' to 16,306', pressure test BOPs, conduct DST #1, drill ahead 6 1/8" hole 16,306' to 16,471' (TD), run wireline logs, plug back from 16,471' to 15,350', dress plug to 15,400', conduct DST #2, fish DST tools, conduct DST #3, fish DST tools, clean out trip to condition mud and hole for plug back into 7" casing.

Cement plug details: Plug from 16,471' to 15,350'. The plug was set in two stages: "A" stage 16,471' to 15858', pumped 10 bbls H2O perflush ahead, mixed and pumped 80 sks (22 bbl.) Oilwell "G" cement + 35% SSA-1+ 0.3% CFR-3+ 0.4% HR-12+ 4 lb/sk Pheno seal. POOH to 15,858' and circulated off the top of the plug, "B" stage 15,858' to 15,350', pumped 10 bbls H2O preflush ahead, mixed and pumped 65 sks (18 bbls) oilwell "G"cement+ 35% SSA-1+ 0.3% CFR-3+ 0.4% HR-12+ 4 lb/sk Pheno seal, POOH to 15,350' and circulated off the top of the plug. Slurry Yield: 1.57 ft3/sk, Slurry Density: 15.60 PPG

Ran in and dressed top of plug to 15,400'

NAME (PLEASE PRINT): Thomas T. J. (Terry) Dunn TITLE: Drilling Supervisor

SIGNATURE: DATE: 5/18/2007

(This space for State use only)

RECEIVED
MAY 18 2007
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

From: Dustin Doucet
To: Daniels, Carol
Date: 5/18/2007 9:58 AM
Subject: Fwd: Monthly update.
Attachments: Monthly update May.pdf; cynter.vcf

Not sure if you got this or will be getting this or not.

Dustin

>>> T D <cynter@sasktel.net> 5/18/2007 9:36 AM >>>
Good Morning Bart,
Attached is the update for the last months operations @ Paradox Basin #1. I hope this meets with your approval. Should you have any questions or concerns please do not hesitate to contact me @ (306) 441-4415 or by email. Have a good day and a great weekend.
Respectfully yours,
Terry Dunn

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER: State Surface ML47365

SUNDRY NOTICES AND REPORTS ON WELLS

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2. NAME OF OPERATOR: Golden Eagle Exploration LLC

9. API NUMBER: 4301931455

3. ADDRESS OF OPERATOR: 1616 - 17 St., Suite 600 Denver CO 80202

PHONE NUMBER: (303) 628-5429

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1006' FSL & 1729' FEL

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 16 23S 23E

STATE: UTAH

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	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Monthly Operations Update: Plugged back well to 14,805', wait on cement, tagged plug @ 14,805' w/ 40,000 lbs, changed out BOP stack from 10M to 5M, pressure test all BOP components to 5,000 PSI, run guns and perforate 13,145' to 13,154', conduct cased hole DST #1, set permanent bridge plug @ 13,100', pressure test bridge plug to 1000 PSI, dump bail 50' of cement on top of bridge plug, run guns and perforate from 12,561' to 12599', conduct cased hole DST #2, evaluate pressures, conduct CO2 stimulation, flow well to clean up, evaluate pressures, hang gauges and set X plugs, release on / off connector, *lay down DP and release drilling rig.*

The Way Forward: On or about June 15,2007, move in a service rig and rig up, run 3 1/2" tubing, connect to on/off connector, pull plugs, recover gauges and evaluate pressures, rig to and conduct frac job, flow back and test well.

Plug Back Details: Pumped 30 BBLs fresh water ahead, mixed and pumped 920 sax "G" cement+ 35% SSA-1+ 0.3% CFR-3+ 0.4% HR-12, Density 15.6 PPG, Slurry yield 1.56 ft3/sk., displaced w/ 60 bbls. fresh water, POOH to 14,800' circulate out excess cement, WOC 10hrs., RIH tagged plug w/ 40,000 lbs. @ 14,805'

RECEIVED
JUN 04 2007
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Thomas J. Dunn TITLE Drilling Supervisor

SIGNATURE DATE 6/4/2007

(This space for State use only)

(5/2000) (See Instructions on Reverse Side)

GOLDEN EAGLE

PARODOX
#1

API Well No.:

43-019-31455

5/18/2007

GRAND

23 S. 23E. 16

PLUG

Customer Representative:

BRENT MCGILL

Halliburton Operator:

SHANE MUSIC (435) 828-4514

Ticket No.:

5109641

HALLIBURTON

HALLIBURTON JOB SUMMARY

SALES ORDER NUMBER	TICKET DATE
5109641	Friday, May 18, 2007

REGION	NWA / COUNTRY	BDA / STATE	COUNTY
North America	Rocky Mountains	UTAH	GRAND

MBU ID EMPL #	H E S EMPLOYEE NAME	PSL DEPARTMENT
362772	SHANE MUSIC (435) 828-4514	CEMENTING

LOCATION	COMPANY	CUSTOMER REP PHONE
Vernal, Utah	GOLDEN EAGLE	BRENT MCGILL

TICKET AMOUNT	WELL TYPE	API WELL NO
	OIL	

WELL LOCATION	DEPARTMENT	SAP BOMB NUMBER	JOB TYPE
MOAB	CEMENTING		PLUG

LEASE NAME	Well No.	SEC TWP RNG
PARODOX	#1	

H.E.S. EMP NAME / EMP # / (EXPOSURE HOURS)	HRS		HRS		HRS		HRS
MUSIC, SHANE 362772	6.0	ROSENLUND, DeWAYNE 380841	6.0				
TRIPP, KENNETH JR. 189604	6.0	HOWELL, SHAWN	6.0				
MCNAUGHTON, A.	6.0	HUNSAKER, L. 417796	6.0				
JACOBSEN, LYDIA	6.0	NEILL, WAYNE 419206	6.0				

H.E.S. UNIT #S / (R / T MILES)	R / T MILES		R / T MILES		R / T MILES		R / T MILES
10286389	460	10804475-10025072	460				
10719781	460						
10804561-10001796	460						
10421116-10616559	460						

Form. Name _____ Type: _____
Form. Thickness _____ From _____ To _____
Packer Type _____ Set At _____
Bottom Hole Temp. _____ Pressure _____
Retainer Depth _____ Total Depth _____

	Called Out	On Location	Job Started	Job Completed
Date	18-May-07	18-May-07	18-May-07	18-May-07
Time	0530	0330	1700	2100

Tools and Accessories

Type and Size	Qty	Make
Float Collar		
Float Shoe		
Centralizers		
Top Plug		
Limit Clamp		
Bottom Plug		
Insert Float		
Guide Shoe		
Weld-A		

Well Data

Casing	New/Used	Weight	Size	Grade	From	To	Max. Allow
Surface							
Intermediate		26#	7"		0	14968'	
Production							
Tubing							
Drill Pipe		15.6#	3-1/2"		0	15120'	
Open Hole			6-1/8"				Shots/Ft.
Perforations							
Perforations							
DV Tool							

Materials

Mud Type Fresh Water Density 9.7 Lb/Gal
Disp. Fluid _____ Density _____ Lb/Gal
Prop. Type _____ Size _____ Lb _____
Prop. Type _____ Size _____ Lb _____
Acid Type _____ Gal. _____ % _____
Acid Type _____ Gal. _____ % _____
Surfactant _____ Gal. _____ In _____
NE Agent _____ Gal. _____ In _____
Fluid Loss _____ Gal/Lb _____ In _____
Gelling Agent _____ Gal/Lb _____ In _____
Fric. Red. _____ Gal/Lb _____ In _____
Breaker _____ Gal/Lb _____ In _____
Blocking Agent _____ Gal/Lb _____
Perfpac Balls _____ Qty. _____
Other _____
KCL substitute _____
Other _____
Other _____
Other _____

Hours On Location		Operating Hours	
Date	Hours	Date	Hours
5/18/07	6.00	5/18/07	4.00
Total	6.00	Total	4.00

Description of Job

SEE JOB LOG

Hydraulic Horsepower
Ordered _____ Avail. _____ Used _____
Average Rates in BPM
Treating _____ Disp. _____ Overall _____
Cement Left in Pipe
Feet _____ Reason _____

Cement Data

Stage	Sacks	Cement	Bulk/Sks	Additives	W/Rq.	Yield	Lbs/Gal
1	920	"G"	BULK	35%SSA-1, .3% CFR-3, .4% HR-12	6.51	1.56	15.6

Summary

Circulating _____ Displacement _____ Preflush: Gal - BBL 30BBL Type: FRESH
Breakdown _____ Maximum _____ Load & Bkdn: Gal - BBL _____ Pad:Bbl -Gal _____
Lost Returns _____ _____ Excess /Return Gal BBL _____ Calc.Disp I BL _____
Cmt Rtrn#Bbl _____ Actual TOC _____ Calc. TOC: _____ Actual Disp. 60BBL
Average _____ Frac. Gradient _____ Treatment: Gal - BBL _____ Disp:Bbl-Gal _____
Shut In: Instant _____ 5 Min. _____ 15 Min _____ Cement Slurry Gal - BBL 255.61
Total Volume Gal - BBL

Frac Ring #1	Frac Ring # 2	Frac Ring # 3	Frac Ring # 4

THE INFORMATION STATED HEREIN IS CORRECT
CUSTOMER REPRESENTATIVE _____
SIGNATURE

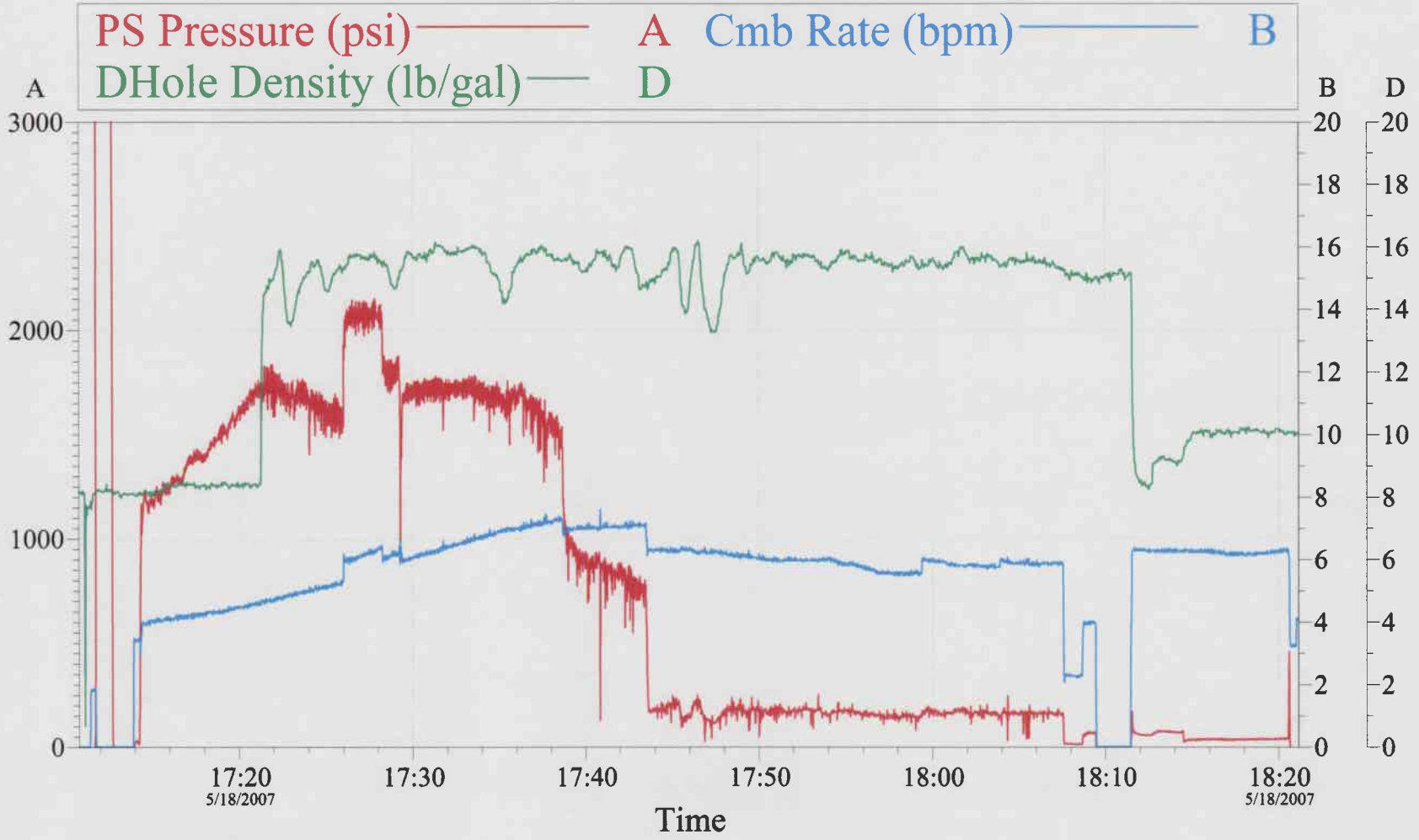
HALLIBURTON JOB LOG

TICKET # 5109641		TICKET DATE 5/18/2007	
REGION NORTH AMERICA LAND	NWA / COUNTRY Rocky Mountains	BDA / STATE UTAH	COUNTY GRAND
MBU ID / EMPL # 362772	H.E.S EMPLOYEE NAME SHANE MUSIC (435) 828-4514	PSL DEPARTMENT CEMENTING	
LOCATION Vernal, Utah	COMPANY GOLDEN EAGLE	CUSTOMER REP / PHONE BRENT MCGILL	
TICKET AMOUNT	WELL TYPE 02 GAS	API/UWI #	
WELL LOCATION MOAB	DEPARTMENT CEMENTING	JOB PURPOSE CODE	Description PLUG
LEASE / WELL # PARODOX	Well No #1	SEC	TWP RNG

Chart No.	Time	Rate (BPM)	Volume (BBL)(GAL)	Pmps T	Pmps C	Press.(PSI) Tbg	Press.(PSI) Csg	Job Description / Remarks
15/18	1530							ARRIVE ON LOCATION
	1545							LOCATION ASSESMENT
	1700							SAFETY MEETING WITH CREW AND RIG
	1712						3000	PRESSURE TEST
	1714	4					1200	START FRESH AHEAD
	1721	4	30				1700	END
	1721	4.5					1700	START CEMENT @ 15.6# 920-SKS.
	1725	6	20				2000	INCREASE RATE
	1737	7	92				1475	INCREASE RATE
	1743	6	134				150	SLOW RATE
	1809	6	256				130	END
	1811	6					25	START FRESH BEHIND
	1812	6	7.5				45	END
	1812	6					45	START MUD
	1823	6	60				175	SHUTDOWN
	1830							TURN OVER TO RIG
								FOR CIRCULATION
								THANKS SHANE MUSIC AND CREW*

GOLDEN EAGLE

PLUG



Customer: GOLDEN EAGLE		Job Date: 5/18/07	Ticket #: 5109641
Well Description: BRENT MCGILL		UWI:	

CemWin v1.7.2
18-May-07 18:58

CEMENT JOB SUMMARY SHEET

Job Type PLUG

Casing	Size	Weight	Grade	Measured Depth
Surface				
Intermediate	7"	26#		14968'
Production				
Tubing				
Drill Pipe	3-1/2"	15.5#		15120'
Open Hole	6-1/8"			

CEMENT DATA

Spacer 30BBL Bbls FRESH

Cement 1 "G" 920 Sacks
Additives 35%SSA-1, .3% CFR-3, .4% HR-12

Weight (lb/gal) 15.60 Yield (cuft/sk) 1.56 Water (gal/sk) 6.51

Cement 2
Addititves

Weight (lb/gal) Yield (cuft/sk) Water (gal/sk)

Displacement 9.70 (lb/gal) **Displacement Type** MUD

CEMENTING EQUIPMENT

Provider			
Guide Shoe	ea.	Centralizers	ea.
Float Shoe	ea.	Plug Type	ea.
Float Collar	ea.	Limit Clamp	ea.
Weld-A	ea.		

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER: State Surface ML47365

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: Paradox Basin #1

2. NAME OF OPERATOR: Golden Eagle Exploration LLC

9. API NUMBER: 4301931455

3. ADDRESS OF OPERATOR: 1616 - 17 St., Suite 600 Denver CO 80202

PHONE NUMBER: (303) 628-5429

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1006' FSL & 1729' FEL

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 16 23S 23E

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ *ACIDIZE*	☐ *DEEPEN*	☐ *REPERFORATE CURRENT FORMATION*
Approximate date work will start:	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ *OTHER:* Monthly Update
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Rig out drilling rig and move off location, move in service rig and rig up, N/U BOPs, pressure test all BOP components to 5000 PSI, RIH w/ 3 1/2" tubing, engage on / off connector, rig slickline and recover plugs and gauges, rig to and conduct frac job, flow well back for cleanup and evaluation.

Frac Details: Pumped 100,000 lbs. Econoprop - 20/40, w/ 2599 bbls. slick water.

All potential zones tested and found to be nonproductive shall be abandon as per the procedures for abandoning cased hole perforations agreed upon in the Sundry Notice filed w/ the Division Dated May 11, 2007.

Should any of the cased hole intervals of interest prove to be productive a further sundry notice shall be filed requesting approval to complete the interval.

NAME (PLEASE PRINT) Thomas T. J. (Terry) Dunn TITLE Drilling Supervisor

SIGNATURE [signature] DATE 7/6/2007

(This space for State use only)

RECEIVED
JUL 09 2007
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

From: Dustin Doucet
To: Daniels, Carol
Date: 8/7/2007 1:23 PM
Subject: Fwd: Monthly Update Paradox Basin #1
Attachments: Monthly Update Paradox Basin #1 August 05-2007 State of Utah Sundry Notice.jpg; State of Utah Sundry Notice August 05-2007.doc

FYI 43.019.31455

>>> <xthomson@telus.net> 8/5/2007 2:05 PM >>>
Hope this is what you need.
Thank You and have a nice Day.
Rick Thomson
Cel : 1-780-926-0636
E-Mail : brutusconsulting@telus.net

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER	5. LEASE DESIGNATION AND SERIAL NUMBER: State Surface ML47365
	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
	7. UNIT or CA AGREEMENT NAME:
	8. WELL NAME and NUMBER: Paradox Basin #1
2. NAME OF OPERATOR: Golden Eagle Expoloration LLC	9. API NUMBER: 4301931455
3. ADDRESS OF OPERATOR: 1616-17St, Suite 600 CITY Denver STATE CO ZIP 80202 — PHONE NUMBER: (303) 628-5429	10. FIELD AND POOL, OR WILDCAT: Wildcat
4. LOCATION OF WELL: FOOTAGES AT SURFACE: 1006' FSL & 1729' FEL — COUNTY: Grand	
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 16 23S 23E — STATE: UTAH	

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start:	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER: Monthly Update
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Monthly Update sent with Form 9 Sundry Notices and Reports on Wells As Attachment.
Thank You, Rick Thomson

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AUG 07 2007
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Rick Thomson — TITLE Company Man (Consultant)

SIGNATURE Rick Thomson — DATE 8/5/2007

(This space for State use only)

State of Utah Sundry Notice August 05-2007

July 07-07 = RIH on Wireline 7 cast iron bridge plug set @ 12525kb
Press test bridge plug to 1000psi 30min test (Good Test)
Dump bail 50 liner ft of Glass G Cement on top of bridge plug.
Cement Top @ 12475kb
Perfs @ 12561-12599kb Alkali Gutch Formation,
Non Productive Formation Salinity = 45.000ppm.

July 09-07 = Perforate Barker Creek Formation @ 11005-11040kb with TCP Guns.
Set Halliburton PLS Packer @ 10945kb, Press Test packer to 1000psi,
For 30mins (Good Test)

July 10-07 = Read and Record shut in tbg pressure, 18-1075psi.

July 11-07 = Frac well with Pure Energy
Frac Barker Creek Formation @ 11005-11040kb
Total 20/40 Econo Prop sand pumped = 36200lbs (Sanded Off)
Total load fluid pumped = 1372 bbls.
Total load recovered = 1136bbls

.
July 11-13 = Evaluate Barker Creek Formation @ 11005-11040kb.
55hrs flowing time, total gas Cum, 0.509mcf, 100-200mcf per/day Average.
Salinity = 25,000ppm, PH = 7
Pressure reading 80psi 24/64 choke, 320psi 32/64 choke, 60psi 32/64 choke

July 22-07 = RIH on Wireline 7 cast iron bridge plug set @ 10965kb
. Press test bridge plug to 1000psi 30min test (Good Test)
Dump bail with Wireline 13ft sand, sand top @ 10952kb.
Perfs @ 11005kb-1140kb Barker Creek Formation.

July 22-07 = Perforate with Wireline Akah Formation 10815-10850.
Problems getting down hole with Halliburton PLS packer.
RIH 6 1/8 Bit past tight spot @ 9194.19kb.
Set Halliburton PLS Packer @ 10773.61kb, Press Test packer to 1000psi
For 30mins (Good Test)

July 28-31 = Swab Akah Formation 10815-10850, fluid level 200-8100.
Total fluid recovered = 192bbls water (No Gas)
Non Productive Formation Salinity = 24.000ppm.

July 31-07 = Unset Halliburton PLS Packer @ 10773.61kb, clean hole to 10965kb,
Press Test 7 cast iron bridge plug set @ 10965kb, to 1000psi 30min
(Good Test)

Aug 02-07 = Attempt to retrieve WRP Bridge plug @ 10965kb (No Success)

State of Utah Sundry Notice August 05-2007
Page Two

Aug 03-07 = Notified Bart Kettle and Dustin Doucet of Utah Government Division of Oil and Gas and Mining of Abandonment of Non Productive Zones @ 10815kb-10850kb and @ 11005kb-11040kb.

Aug 03-07 = Dump Bail with Wireline 50 liner ft of Glass G Cement on top of WRP Bridge Plug set @ 10965kb, Cement top @ 10915kb.
Bridge Plug Tested to 1000psi with Halliburton PLS Packer on July 22-07
Perfs @ 11005kb-1140kb Barker Creek Formation.
RIH on Wireline 7 cast iron bridge plug set @ 10765kb.
Press Test Bridge Plug to 1000psi 30mins (Good Test)
Dump Bail 50 liner ft of Class G Cement on Top of Bridge Plug, Cement Top @ 10715kb.

Aug 04- 07 = Perforate with Wireline Ismay Formation,
9727kb-9732kb - 9740kb-9760kb – 9850kb-9860kb

Aug 05-07 = Swab and Evaluate Ismay Formation.

Thank You
If any additional information needed, Please do not hesitate to get in contact with me @

Rick Thomson Cell # 1-780-926-0636
E-mail : brutusconsulting@telus.net

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

AMENDED REPORT ☐ (highlight changes) FORM 8

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. LEASE DESIGNATION AND SERIAL NUMBER: State Surface ML47365
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
7. UNIT or CA AGREEMENT NAME:
8. WELL NAME and NUMBER: Paradox Basin #1
9. API NUMBER: 4301931455
10. FIELD AND POOL, OR WILDCAT: Wild Cat
11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: T23S R23E S-16
12. COUNTY: Grand
13. STATE: UTAH

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ DRY ☐ OTHER
b. TYPE OF WORK: NEW WELL ☑ HORIZ. LATS. ☐ DEEP-EN ☐ RE-ENTRY ☐ DIFF. RESVR. ☐ OTHER
2. NAME OF OPERATOR: Golden Eagle Exploration LLC.
3. ADDRESS OF OPERATOR: 1616-17st CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (303) 628-5429
4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: 1006' FSL & 1729' FEL
AT TOP PRODUCING INTERVAL REPORTED BELOW: 9727'
AT TOTAL DEPTH: 9860'

14. DATE SPUDDED: 5/4/2006
15. DATE T.D. REACHED:
16. DATE COMPLETED: 8/27/2007 ABANDONED ☐ READY TO PRODUCE ☑
17. ELEVATIONS (DF, RKB, RT, GL): 27.20'
18. TOTAL DEPTH: MD 16,471 TVD 16,471
19. PLUG BACK T.D.: MD 10,765 TVD 10,765
20. IF MULTIPLE COMPLETIONS, HOW MANY? *
21. DEPTH BRIDGE PLUG SET: MD 10,765 TVD 10,765
22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)
23. WAS WELL CORED? NO ☐ YES ☐ (Submit analysis)
WAS DST RUN? NO ☐ YES ☑ (Submit report)
DIRECTIONAL SURVEY? NO ☑ YES ☐ (Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/FT.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
17"	13 3/8 K-55	61		3,632					
12 1/4"	9 5/8 P110	53.5		9,477					
8 1/2"	7 L-80	26	9,182	14,968					
Scab Liner	7 L-80	26	9,166						

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 3/8 L-80	9,682	9,686	7"					

26. PRODUCING INTERVALS Ismay

27. PERFORATION RECORD

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)		SIZE	NO. HOLES	PERFORATION STATUS
(A) Ismay	9,727	9,860	9,727	9,860	9,727	9,860	39 g	152	Open ☑ Squeezed ☐
(B) Akah	10,815	10,850	10,815	10,850	10,815	10,850	39 g	140	Open ☐ Squeezed ☐
(C) Barker Creek	11,005	11,040	11,005	11,040	11,005	11,040	39 g	140	Open ☐ Squeezed ☐
(D) Alkali Guth	12,561	12,599	12,561	12,599	12,561	12,599	39 g	140	Open ☐ Squeezed ☐

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
Frac @ 9727 - 9860	Pure Energy Pump 96,875lbs 20/40 Econoprop with 2347bbls Slick water
Frac @ 11005 - 11040	Pure Energy Pump 38,200lbs 20/40 Econoprop with 1372bbls Slick water (Sanded Off)
Frac @ 12561 - 12599	Pure energy Pump 100,000lbs 20/40 Econoprop with 1299bbls Slick water

29. ENCLOSED ATTACHMENTS:
☐ ELECTRICAL/MECHANICAL LOGS ☐ GEOLOGIC REPORT ☐ DST REPORT ☐ DIRECTIONAL SURVEY
☐ SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION ☐ CORE ANALYSIS ☐ OTHER: B. Plug @ Perfs

30. WELL STATUS:

(5/2000) (CONTINUED ON BACK)

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31. INITIAL PRODUCTION

INTERVAL A (As shown in Item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
8/24/2007	8/24/2007	72					

CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:
							0	2	120	

INTERVAL B (As shown in Item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:

CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL C (As shown in Item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:

CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL D (As shown in Item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:

CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

Vented (Flared)

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof; Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
Ismay	9,727	9,860	Samples taken, send to Enviro-Chem Analyticaling 685 West Gunnison Ave Grand Junction 81501 Contact # 970-842-6154	Ismay	9.727

35. ADDITIONAL REMARKS (Include plugging procedure)

Non Produtive zones @ 11005'-11040' 12561'-12599' Plugged with Cast Iron Bridge Plug, P/Test to 1000psi, 50' G Cement.

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) Rick Thomson TITLE Company Rep / Consultant

SIGNATURE Rick Thomson DATE 8/27/2007

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340
Fax: 801-359-3940

(5/2000)

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SEP 17 2007
DIV. OF OIL

GOOD OLD BOOK EXCHANGE

2 LOCATIONS

#4 - 1150 N. Terminal Ave.
Terminal Park Mall
Nanaimo, BC V9S 5L6

Phone: (250) 754-6121
Fax: (250) 754-2163

147 2nd. Ave., W.
Qualicum Beach, BC
V9K 2R8

Phone: (250) 752-2123
Fax: (250) 752-2174

TO: DUSTIN K. DOUCET, PETROLEUM ENGINEER	
FAX NUMBER: 801 359 3940	**DATE & TIME** SEPT. 17/07
FROM: RICK THOMSON, GOLDEN EAGLE EXPLORATION	
SUBJECT: FINAL WELL COMPLETION HARD COPY	
FOR FURTHER INFORMATION CALL: 780-333-5060 OR 250-758-9243 (HOME)	

DUSTIN:

SORRY FOR THE DELAY. HARD COPY OF FINAL WELL COMPLETION OF PARADOX BASIN #1

REGARDS,

Rick Thomson

RECEIVED
SEP 17 2007
DIV OF OIL, GAS & MINING

NUMBER OF PAGES INCLUDING COVER:

UTAH DIVISION OF OIL, GAS AND MINING

NOTICE OF REPORTING PROBLEMS

Operator: Golden Eagle Exploration, LLC Account: N3045 Today's Date: 09/03/2008

Problems:

- ☐ Late Report(s)
- ☐ Inaccurate Report(s)
- ☐ Incomplete Report(s)
- ☑ Other: DST & Log

Failure to submit reports in a timely, accurate, and complete manner may result in the issuance of a Notice of Violation by the Division of Oil, Gas and Mining, and may result in the Division pursuing enforcement action as outlined in Rule R649-10, Administrative Procedures, and Section 40-6-11 of the Utah Code.

To avoid compliance action, these reporting problems should be resolved within 7 days.

Send reports to:

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Fax to:

(801) 359-3940

Paradox Basin 1
23S 23E 16

Type of Report	Month(s) of Problem Report
☐ Production – Form 10 ☐ Disposition – Form 11 ☐ Gas Plant – Form 13 ☐ Enhanced Recovery – UIC Form 2 ☐ Injection – UIC Form 3 ☐ Other	

Type of Report	Well Name(s)	API Number(s)	Drilling Commenced
☐ Spud Notice – Form 9 ☐ Drilling Reports – Form 9 ☐ Well Completion Report – Form 8 ☑ Other DST & Log	Paradox Basin ☐ List Attached	4301931455	05/23/2006

Description of Problem:

On April 17, 2007 operator submitted report stating that a CBL logs was run. Log was never received by DOGM.
On May 18, 2007 Operator submitted report stating that DST was done. DST was never received by DOMG.

If you have questions or concerns regarding this matter, please contact Rachel Medina at (801) 538-5260 .

cc: Compliance File
RAM
CHD
Well File

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

AMENDED REPORT ☑ (highlight changes) FORM 8

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. LEASE DESIGNATION AND SERIAL NUMBER: State - ML 47365
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
7. UNIT or CA AGREEMENT NAME: Golden Eagle 70 Unit
8. WELL NAME and NUMBER: Paradox Basin #1
9. API NUMBER: 4301931455
10. FIELD AND POOL, OR WILDCAT: Wild Cat

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ DRY ☐ OTHER
b. TYPE OF WORK: NEW WELL ☑ HORIZ. LATS. ☐ DEEP-EN ☐ RE-ENTRY ☐ DIFF. RESVR. ☐ OTHER Amended report

2. NAME OF OPERATOR: Golden Eagle Exploration, LLC

3. ADDRESS OF OPERATOR: 1616 17th Street CITY Denver STATE CO ZIP 80202
PHONE NUMBER: (303) 628-5429

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: 1006' FSL & 1729' FEL
AT TOP PRODUCING INTERVAL REPORTED BELOW: 9727'
AT TOTAL DEPTH: 9860 PBTD

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 16 23S 23E SLB&M
12. COUNTY: Grand
13. STATE: UTAH

14. DATE SPUDDED: 5/4/2006
15. DATE T.D. REACHED:
16. DATE COMPLETED: 8/27/2007 ABANDONED ☐ READY TO PRODUCE ☑
17. ELEVATIONS (DF, RKB, RT, GL): 5045 GL

18. TOTAL DEPTH: MD 16,471 TVD 16,471
19. PLUG BACK T.D.: MD 10,785 TVD 10,875
20. IF MULTIPLE COMPLETIONS, HOW MANY? *
21. DEPTH BRIDGE PLUG SET: MD TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)

23.
WAS WELL CORED? NO ☑ YES ☐ (Submit analysis)
WAS DST RUN? NO ☑ YES ☐ (Submit report)
DIRECTIONAL SURVEY? NO ☑ YES ☐ (Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
17"	13 3/8" K-55	61		3,632					
12 1/4"	9 5/8" P110	53.5		9,477					
8 1/2"	7" L-80	26	9,182	14,966					
Scab Liner	7" L-80	26	9,166						

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 3/8" L-80	9,682	9,686	7"					

26. PRODUCING INTERVALS / 27. PERFORATION RECORD

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A) Ismay	9,727	9,860	9,727	9,860	9,727 9,860	39g	152	Open ☑ Squeezed ☐
(B) Akah	10,815	10,850	10,815	10,850	10,815 10,850	39g	140	Open ☐ Squeezed ☐
(C) Barker Creek	11,005	11,040	11,005	11,040	11,005 11,040	39g	140	Open ☐ Squeezed ☐
(D) Alkali Gulch	12,561	12,599	12,561	12,599	12,561 12,599	39g	140	Open ☐ Squeezed ☐

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
frac @ 9727-9860	Pure Energy Pump 96,875 lbs 20/40 Econoprop with 2347 bbls Slick Water
frac @ 11,005-11,040	Pure Energy Pump 38,200 lbs 20/40 Econoprop with 1372 bbls Slick Water (sanded off)
frac @ 12,561-12,599	Pure Energy Pump 100,000 lbs 20/40 Econoprop with 1299 bbls Slick Water

29. ENCLOSED ATTACHMENTS:
☐ ELECTRICAL/MECHANICAL LOGS ☐ GEOLOGIC REPORT ☐ DST REPORT ☐ DIRECTIONAL SURVEY
☐ SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION ☐ CORE ANALYSIS ☐ OTHER:

30. WELL STATUS: SI-WOPL

(5/2000) (CONTINUED ON BACK)

RECEIVED
OCT 07 2009
DIV. OF OIL, GAS & MINING

31. INITIAL PRODUCTION — **INTERVAL A (As shown in item #26)**

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
8/24/2007	8/24/2007	72					

CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:
32/64	51	0					0	357	83	

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:

CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:

CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:

CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

Vented (flared)

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.
Ismay	9,727	9,860	

34. FORMATION (Log) MARKERS:

Name	Top (Measured Depth)
Ismay	9,727

35. ADDITIONAL REMARKS (Include plugging procedure)

Zones at 11005-11040, 12561-12599 Plugged with Cast Iron Bridge Plug, Pressure test to 1000 psi, 50 ft of Class G cement

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) Gary L. Nydegger, PE TITLE Consultant

SIGNATURE DATE 10/1/2008

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

(5/2000)

United States Department of the Interior
BUREAU OF LAND MANAGEMENT
Moab Field Office
82 East Dogwood
Moab, Utah 84532

TAKE PRIDE IN AMERICA

3160
3107
Golden Eagle 70 Unit
(UT-062)

Mr. Gary Nydegger
Golden Eagle Exploration LLC
1616 17th Street
Denver, Colorado 80202

OCT 24 2008
43-019-31455
T23S R23E S16

Re: Request for Yates Decision
Paradox Basin No. 1 Well
Golden Eagle 70 Unit
Section 16, T23S, R23E
Grand County, Utah

Dear Mr. Nydegger:

We are in receipt of your October 8, 2008, letter requesting the aforementioned well be considered held by production (HBP), thereby holding all other unit leases by production per the referenced Yates decision. In support of your request, you provided a revised well completion report and production test data.

We appreciate having the opportunity to review this data. Despite our several requests for information during the drilling of this well, this is the first well information you have provided us.

You have revised the gas flow rate on the well completion report to 357 Mcf/day. It should be noted that, on the Pure Energy test data included with your request, the comment section includes that statement, "Gas produced in the last 24 hrs = 0.357 Mcf." This discrepancy in flow rate would obviously affect the outcome of an economic evaluation.

In order to make an appropriate economic determination we will need you to conduct another production flow test on the well. We would like to have the opportunity to witness the test. When the test is scheduled, please notify Jack Johnson of this office at 435-259-2129.

RECEIVED
OCT 29 2008
DIV. OF OIL, GAS & MINING

Meanwhile, to perform and economic evaluation, we will need an itemization of your projected operating costs for the well, assuming the well were in productive status. Please include pumping costs, lease rental, water disposal (identify disposal facility) and any other costs that could be reasonably anticipated.

With flow test data and operational cost projections, we will be able to make a determination whether this well is capable of lease basis production in paying quantities. Should you have any questions, please call Eric Jones of this office at 435-259-2117.

Sincerely,

/s/ A. Lynn Jackson

Assistant Field Manager
Division of Resources

cc: State of Utah, DOGM
UT-922, Utah State Office
UT-924, Utah State Office
EJones:mm:10/24/08

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER: ML47365

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: Paradox Basin #1

2. NAME OF OPERATOR: GOLDEN EAGLE EXPLORATION, LLC

9. API NUMBER: 4301931455

3. ADDRESS OF OPERATOR: PO BOX 1346 CITY MOAB STATE UT ZIP 84532

PHONE NUMBER: (406) 896-4953

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1006' FSL, 1729 FEL, 640966x, 4295573y,

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 16 23S 23E 2

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start:	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☒ OTHER: WORKOVER
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

INTEND TO DO 24 HOUR FLOW TEST. WORK TO BEGIN TUESDAY, DEC. 16
INTEND TO PERFORATE THE FOLLOWING ZONES WITH 14 SPF
Zone 1: 9747-9770 re-perf existing section 23 feet
Zone 2: 9783-9800 new zone 17 feet
Zone 3: 9810-9818 new zone 8 feet
Zone 4: 9830-9842 new zone 12 feet
Zone 5: 9850-9860 possibility 10 feet
INTEND TO PERFORM 24 HOUR FLOW TEST THROUGH SATURDAY
WORK SHOULD LAST APPROX. 7-10 DAYS.

COPY SENT TO OPERATOR
Date: 12.18.2008
Initials: KS

NAME (PLEASE PRINT) JENNIFER OLSEN TITLE CONSULTANT

SIGNATURE Jennifer Olsen DATE 12/16/08

(This space for State use only)

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
DATE: 12/16/08
BY: (See Instructions on Reverse Side)

RECEIVED
DEC 16 2008
DIV. OF OIL, GAS & MINING

(6/2000)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER: ML47365
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER
8. WELL NAME and NUMBER: Paradox Basin #1
2. NAME OF OPERATOR: GOLDEN EAGLE EXPLORATION, LLC
9. API NUMBER: 4301931455
3. ADDRESS OF OPERATOR: PO BOX 1346 CITY MOAB STATE UT ZIP 84532
PHONE NUMBER: (406) 896-4953
10. FIELD AND POOL, OR WILDCAT: Wildcat
4. LOCATION OF WELL
FOOTAGES AT SURFACE: 1006' FSL, 1729' FEL, 640966x, 4295573y
COUNTY: Grand
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 16 23S 23E 2
STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☑ REPERFORATE CURRENT FORMATION
Approximate date work will start:	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☑ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion: 12/15/2008	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: Flow Test Well
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

12/15/2008 - Flow test on well by Pure Energy Services gave 928 mcf/d @ 410 psi with 60 bbls of water per day on a 24/64th choke.

12/20/2008 - Re-perforating by Schlumberger @ 8 SPF w/ 36.8" estimated penetration, 0.37" hole diameter, 27 gm charges, 90 degree phasing [9747-9770, 9783-9800, 9810-9818, 9830-9842, 9850-9860].

12/22/2008 - Set Halliburton packer in compression (30K lbs) @ 9681' w/291 jts 2 3/8", 4.7#/ft, N-80 tubing (7" PLS packer).

12/30/2008 - Flow-testing (12/30/08) gave 519 mcf/d @ 305 psi with 150 bbls of water per day on a 24/64th choke.

NAME (PLEASE PRINT) Andrew Atcheson
TITLE Petroleum Engineering Consultant
SIGNATURE
DATE 1/19/2009

(This space for State use only)

RECEIVED
JAN 27 2009
DIV. OF OIL, GAS & MINING

(5/2000)
(See Instructions on Reverse Side)

Company: Golden Eagle
Well / Lease Name: Paradox Basin 1
Unique Well ID: 0Sec 16 Twp23N Rge 23W
Test Type: 4 Point Iso & 24Hr Flow

Field Measurements

Job Number:
Formation:
Field:
Pool:

			Wellhead			Gas Measured Rate Meter 5				Water Produced Volume				Condensate				
	Date	Time	Choke Size	Tubing Pres	Flow Temp	Static Pres	Meter Temp	Measured Rate	Gas Cum	Volume	Water Cum	Water Sal	Water PH	Volume	LPCond Cum	API	Sand	L.E.L's
	YYYY/MM/DD	HH:mm:ss	in	psi(g)	°F	psi(g)	°F	Mscfd	Mscf	bbl	bbl	%		bbl	bbl		%	ppm
1	2008/12/16	07:00:00	Arrive on Location Hold Safety Meeting.															
2		09:00:00	Spot Equipment and Rig Up to Flow Overnight															
3		16:30:00	Finished Rig Up															
4		16:55:00	Open To Purge and Pressure Test Flow Line. Hammer Cap on Well Head Leaking, Wait on New Gasket.															
5		21:00:00	New Gasket Arrives, Hammer Cap Repaired and Installed															
6		21:30:00	Open well to flow on 8/64 choke															
7		21:30:00	8	3300	34	0	34	0	0	0.0	0.0			0	0		0.00	0
8		22:00:00	8	3275	30	84	-21	345	7	0.0	0.0			0	0	0	0.00	0
9		22:00:00	Hydrating Downstrem of Manifold, Shut In to heat up Line Heater.															
10		23:30:00	Open to flow 8/64 choke															
11		23:30:00	8	3300	30	50	-16	0	7	0.0	0.0			0	0		0.00	0
12		23:50:00	Open well on 24/64 to bleed down pressure, Hydrating @ Vessel															
13	2008/12/17	00:00:00	24	2250	47	150	0	6734	147	0.0	0.0			0	0		0.00	0
14		00:30:00	24	1650	52	110	14	7424	295	0.0	0.0			0	0		0.00	0
15		01:00:00	24	1250	54	83	26	5738	432	0.0	0.0			0	0		0.00	0
16		01:00:00	Open well on 8/64 choke begin four point test															
17		01:30:00	8	2100	49	180	33	307	496	0.0	0.0			0	0		0.00	0
18		02:00:00	8	2250	48	105	32	314	502	0.0	0.0			0	0	0	0.00	0
19		02:00:00	Change choke to 16/64															
20		02:30:00	16	1650	42	102	23	1024	515	3.9	3.9			0	0		0.00	0
21		03:00:00	16	1650	38	88	20	889	535	2.5	6.4	27.4	7	0	0		0.00	0
22		03:00:00	Change choke to 24/64															
23		03:30:00	24	1075	45	85	40	2931	575	3.5	9.9			0	0		0.00	0
24		04:00:00	24	950	54	100	75	2387	631	2.2	12.1	27.2	7	0	0		0.00	0
25		04:00:00	Change choke to 32/64															
26		04:30:00	32	600	55	88	82	2504	682	3.2	15.3			0	0		0.00	0
27		05:00:00	32	500	55	83	88	1881	727	2.2	17.5	27.4	7	0	0		0.00	0
28		05:00:00	Change choke to 24/64 start 24 hour test															

From 2008/12/16 07:00:00 To 2008/12/16 12:00:00
Gas Gas Cum
Oil Oil Cum
Water Water Cum
Condensate Cond Cum

Company: Golden Eagle
Well / Lease Name: Paradox Basin 1
Unique Well ID: 0Sec 16 Twp23N Rge 23W
Test Type: 4 Point Iso & 24Hr Flow

Field Measurements

Job Number:
Formation:
Field:
Pool:

			Wellhead			Gas Measured Rate Meter 5				Water Produced Volume				Condensate				
	Date	Time	Choke Size	Tubing Pres	Flow Temp	Static Pres	Meter Temp	Measured Rate	Gas Cum	Volume	Water Cum	Water Sal	Water PH	Volume	LPCond Cum	API	Sand	L.E.L's
	YYYY/MM/DD	HH:mm:ss	in	psi(g)	°F	psi(g)	°F	Mscfd	Mscf	bbl	bbl	%		bbl	bbl		%	ppm
29	2008/12/17	05:30:00	24	575	54	100	84	1899	767	1.7	19.2			0	0		0.00	0
30		06:00:00	24	675	59	186	92	1594	803	2.2	21.3	27.0	7	0	0	0	0.00	0
31		06:00:00	Total Gas Flared in Last 24hrs = 803 MCF															
32		06:00:00	Total Gas Flared to Date = 803 MCF															
33		06:00:00	Total Water Produced To Date = 21.3BBLS															
34		06:00:00	Total Water Produced in 24hrs = 21.3BBLS															
35		06:00:00	Total Oil Produced To Date = 0.00BBLS															
36		06:00:00	Total Oil Produced in 24hrs = 0.00BBLS															
37		06:30:00	24	700	56	186	93	1595	836									0
38		07:00:00	24	650	57	185	94	1513	869	7.6	28.9	27.4	7	0	0		0.00	0
39		07:30:00	24	675	58	186	93	1493	900									0
40		08:00:00	24	650	57	185	95	1469	931	7.6	36.5	27.4	7	0	0		0.00	0
41		08:30:00	24	650	58	182	94	1430	961									0
42		09:00:00	24	650	55	182	96	1433	991	7.6	44.1	27.4	7	0	0		0.00	0
43		09:30:00	24	600	57	185	98	1655	1023									0
44		10:00:00	24	625	56	178	99	1412	1055	8.7	52.8	27.4	7	0	0	0	0.00	0
45		10:30:00	24	625	60	176	100	1388	1084									0
46		11:00:00	24	600	59	176	101	1377	1113	9.5	62.3	27.2	7	0	0		0.00	0
47		11:30:00	24	595	59	177	102	1356	1141									0
48		12:00:00	24	590	58	166	102	1336	1169	6.2	68.6	27.2	7	0	0		0.00	0
49		12:30:00	24	580	58	168	101	1299	1197									0
50		13:00:00	24	570	59	168	101	1263	1223	5.1	73.7	27.2	7	0	0		0.00	0
51		13:30:00	24	560	57	166	100	1302	1250									0
52		14:00:00	24	550	58	164	101	1157	1276	8.5	82.2	27.4	7	0	0	0	0.00	0
53		14:30:00	24	550	60	166	99	1248	1301									0
54		15:00:00	24	540	54	165	98	1230	1327	8.5	90.7	27.4	7	0	0		0.00	0
55		15:30:00	24	535	57	165	98	1289	1353									0
56		16:00:00	24	525	54	164	97	1219	1379	3.4	94.1	27.4	7	0	0		0.00	0

From	2008/12/16 12:00:00	To	2008/12/17 12:00:00
Gas	1.169	Gas Cum	1.169
Oil		Oil Cum	
Water	68.570	Water Cum	68.570
Condensate	0.000	Cond Cum	0.000

Company: Golden Eagle
Well / Lease Name: Paradox Basin 1
Unique Well ID: 0Sec 16 Twp23N Rge 23W
Test Type: 4 Point Iso & 24Hr Flow

Field Measurements

Job Number:
Formation:
Field:
Pool:

			Wellhead			Gas Measured Rate Meter 5				Water Produced Volume				Condensate				
	Date	Time	Choke Size	Tubing Pres	Flow Temp	Static Pres	Meter Temp	Measured Rate	Gas Cum	Volume	Water Cum	Water Sal	Water PH	Volume	LPCond Cum	API	Sand	L.E.L's
	/YYY/MM/DD	HH:mm:ss	in	psi(g)	°F	psi(g)	°F	Mscfd	Mscf	bbl	bbl	%		bbl	bbl		%	ppm
57	2008/12/17	16:30:00	24	510	56	163	96	1188	1404									0
58		17:00:00	24	445	54	166	96	1360	1431	7.0	101.1	27.4	7	0	0		0.00	0
59		17:30:00	24	510	55	164	95	1168	1457									0
60		18:00:00	24	500	59	163	97	1152	1481	5.1	106.3	27.4	7	0	0	0	0.00	0
61		18:30:00	Gas Samples Taken. Enviro Chem Labs Cylinder # 4EK002 & # 10EK081. Plus 2 Water Samples															
62		18:30:00	24	500	56	163	96	1153	1505									0
63		19:00:00	24	490	56	163	97	1148	1529	4.9	111.1	27.5	7	0	0		0.00	0
64		19:30:00	24	480	56	165	95	1149	1553									0
65		20:00:00	24	485	59	164	95	1103	1577	4.1	115.2	27.4	7	0	0		0.00	0
66		20:30:00	24	485	57	164	95	1122	1600									0
67		21:00:00	24	475	56	164	93	1125	1623	4.4	119.6	27.4	7	0	0		0.00	0
68		21:30:00	24	470	56	165	91	1048	1646									0
69		22:00:00	24	450	54	164	91	1067	1668	5.0	124.6	27.4	7	0	0	0	0.00	0
70		22:30:00	24	450	55	163	90	1053	1690									0
71		23:00:00	24	450	54	164	91	1055	1712	4.7	129.2	27.4	7	0	0		0.00	0
72		23:30:00	24	435	54	166	91	1064	1734									0
73	2008/12/18	00:00:00	24	440	54	164	91	1021	1756	3.3	132.5	27.4	7	0	0		0.00	0
74		00:30:00	24	440	56	163	91	1013	1777									0
75		01:00:00	24	440	54	162	93	1008	1798	3.3	135.8	27.4	7	0	0		0.00	0
76		01:30:00	24	430	54	162	90	1015	1819									0
77		02:00:00	24	430	53	162	88	1017	1840	4.1	139.8	27.3	7	0	0	0	0.00	0
78		02:30:00	24	420	51	163	87	978	1861									0
79		03:00:00	24	425	56	163	89	974	1881	3.6	143.4	27.4	7	0	0		0.00	0
80		03:30:00	24	425	56	163	92	964	1901									0
81		04:00:00	24	410	55	163	95	958	1921	3.8	147.2	27.4	7	0	0		0.00	0
82		04:30:00	24	410	54	163	96	963	1941									0
83		05:00:00	24	410	54	162	96	928	1961	2.5	149.7	27.4	7	0	0	0	0.00	0
84		05:00:00	Shut in monitor tubing pressure as per Eric Olsen															

From	2008/12/17 12:00:00	To	2008/12/18 12:00:00
Gas	0.972	Gas Cum	2.141
Oil		Oil Cum	
Water	81.140	Water Cum	149.710
Condensate	0.000	Cond Cum	0.000

Company: Golden Eagle
Well / Lease Name: Paradox Basin 1
Unique Well ID: 0Sec 16 Twp23N Rge 23W
Test Type: 4 Point Iso & 24Hr Flow

Field Measurements

Job Number:
Formation:
Field:
Pool:

			Wellhead			Gas Measured Rate Meter 5				Water Produced Volume				Condensate				
	Date	Time	Choke Size	Tubing Pres	Flow Temp	Static Pres	Meter Temp	Measured Rate	Gas Cum	Volume	Water Cum	Water Sal	Water PH	Volume	LPCond Cum	API	Sand	L.E.L's
	YYYY/MM/DD	HH:mm:ss	in	psi(g)	°F	psi(g)	°F	Mscfd	Mscf	bbl	bbl	%		bbl	bbl		%	ppm
85	2008/12/18	05:30:00		1050				0	1961									
86		06:00:00		1200				0	1961	0.0	149.7			0	0			
87		06:00:00	Total Gas Flared in Last 24hrs = 1158 MCF															
88		06:00:00	Total Gas Flared to Date = 1961 MCF															
89		06:00:00	Total Water Produced To Date = 149.7BBLS															
90		06:00:00	Total Water Produced In 24hrs = 126.4BBLS															
91		06:00:00	Total Oil Produced To Date = 0.00BBLS															
92		06:00:00	Total Oil Produced In 24hrs = 0.00BBLS															
93		06:30:00		1400				0	1961	0.0	149.7			0	0			0
94		07:00:00		1550				0	1961	0.0	149.7			0	0			0
95		07:30:00	Open To Flow on 24/64" to Flare to draw down well. Rig up to pump kill															
96		07:30:00	24	1650	60	225	96	3387	2032	0.0	149.7			0	0			0
97		08:00:00	24	425	93	180	96	1636	2084	0.0	149.7			0	0		0.00	0
98		08:30:00	48	200	93	120	96	1366	2115	0.0	149.7			0	0			0
99		09:00:00	96	120	91	45	96	1103	2141	0.0	149.7			0	0		0.00	0
100		09:15:00	Shut In Well Pump Kill, Get Ready To BOP Up. Install TI Valve.															
101		12:00:00	Inhibit lines, Vessel and Sight Glasses with Methanol. Cap flowline and Shut Down For evening. Wait on Wireline															
102	2008/12/21	07:00:00	Arrive on Location, Hold Safety Meeting															
103		08:00:00	Run In Hole with Packer and Tubing															
104		13:20:00	Tubing on Bottom. Packer won't set POOH with tubing															
105		15:30:00	Packer On Surface. Damaged Element															
106		16:00:00	New Packer Arrives. Begin RIH with Tubing. Testers return in AM															
107	2008/12/22	08:00:00	Arrive On location, hold Safety Meeting.															
108		10:30:00	Packer on Bottom.															
109		11:00:00	Begin To Circulate Packer Fluid															
110		12:20:00	Pump Lines Frozen.															
111		13:45:00	Begin Circulating															
112		15:05:00	Packer Set															

From	2008/12/17 12:00:00	To	2008/12/18 12:00:00
Gas	0.972	Gas Cum	2.141
Oil		Oil Cum	
Water	81.140	Water Cum	149.710
Condensate	0.000	Cond Cum	0.000

Company: Golden Eagle
Well / Lease Name: Paradox Basin 1
Unique Well ID: 0Sec 16 Twp23N Rge 23W
Test Type: 4 Point Iso & 24Hr Flow

Field Measurements

Job Number:
Formation:
Field:
Pool:

			Wellhead			Gas Measured Rate Meter 5				Water Produced Volume				Condensate				
	Date	Time	Choke Size	Tubing Pres	Flow Temp	Static Pres	Meter Temp	Measured Rate	Gas Cum	Volume	Water Cum	Water Sal	Water PH	Volume	LPCond Cum	API	Sand	L.E.L's
	/YYY/MM/DD	HH:mm:ss	in	psi(g)	°F	psi(g)	°F	Mscfd	Mscf	bbl	bbl	%		bbl	bbl		%	ppm
113	2008/12/22	15:15:00	Tubing Hanger Landed															
114		16:45:00	Well Head Landed, Monitor Pressure and Surge Flow															
115		17:00:00		0				0	2141	0.0	149.7			0	0			0
116		17:30:00		0				0	2141	0.0	149.7			0	0			0
117		18:00:00		0				0	2141	0.0	149.7			0	0			0
118		18:30:00		0				0	2141	0.0	149.7			0	0			0
119		19:00:00		0				0	2141	0.0	149.7			0	0			0
120		19:30:00		0				0	2141	0.0	149.7			0	0			0
121		20:00:00		0				0	2141	0.0	149.7			0	0			0
122		20:30:00		0				0	2141	0.0	149.7			0	0			0
123		21:00:00		0				0	2141	0.0	149.7			0	0			0
124		21:30:00		0				0	2141	0.0	149.7			0	0			0
125		22:00:00		0				0	2141	0.0	149.7			0	0			0
126		22:30:00		0				0	2141	0.0	149.7			0	0			0
127		23:00:00		0				0	2141	0.0	149.7			0	0			0
128		23:30:00		0				0	2141	0.0	149.7			0	0			0
129	2008/12/23	00:00:00		0				0	2141	0.0	149.7			0	0			0
130		00:30:00		0				0	2141	0.0	149.7			0	0			0
131		01:00:00		0				0	2141	0.0	149.7			0	0			0
132		01:30:00		0				0	2141	0.0	149.7			0	0			0
133		02:00:00		0				0	2141	0.0	149.7			0	0			0
134		02:30:00		0				0	2141	0.0	149.7			0	0			0
135		03:00:00		0				0	2141	0.0	149.7			0	0			0
136		03:30:00		0				0	2141	0.0	149.7			0	0			0
137		04:00:00		0				0	2141	0.0	149.7			0	0			0
138		04:30:00		0				0	2141	0.0	149.7			0	0			0
139		05:00:00		0				0	2141	0.0	149.7			0	0			0
140		05:30:00		0				0	2141	0.0	149.7			0	0			0

From	2008/12/22 12:00:00	To	2008/12/23 12:00:00
Gas	0.000	Gas Cum	2.141
Oil		Oil Cum	
Water	86.000	Water Cum	235.710
Condensate	0.000	Cond Cum	0.000

Company: Golden Eagle
Well / Lease Name: Paradox Basin 1
Unique Well ID: 0Sec 16 Twp23N Rge 23W
Test Type: 4 Point Iso & 24Hr Flow

Field Measurements

Job Number:
Formation:
Field:
Pool:

			Wellhead			Gas Measured Rate Meter 5				Water Produced Volume				Condensate				
	Date	Time	Choke Size	Tubing Pres	Flow Temp	Static Pres	Meter Temp	Measured Rate	Gas Cum	Volume	Water Cum	Water Sal	Water PH	Volume	LPCond Cum	API	Sand	L.E.L's
	YYYY/MM/DD	HH:mm:ss	in	psi(g)	°F	psi(g)	°F	Mscfd	Mscf	bbl	bbl	%		bbl	bbl		%	ppm
141	2008/12/23	06:00:00		0				0	2141	0.0	149.7			0	0			0
142		06:00:00	Total Gas Flared in Last 24hrs = 0.0 MCF															
143		06:00:00	Total Gas Flared to Date = 2141 MCF															
144		06:00:00	Total Water Produced To Date = 149.7BBLS															
145		06:00:00	Total Water Produced in 24hrs = 0.0 BBLS															
146		06:00:00	Total Oil Produced To Date = 0.00BBLS															
147		06:00:00	Total Oil Produced In 24hrs = 0.00BBLS															
148		06:30:00		0				0	2141	0.0	149.7			0	0			0
149		07:00:00		0				0	2141	0.0	149.7			0	0			0
150		07:30:00		0				0	2141	0.0	149.7			0	0			0
151		08:00:00		0				0	2141	0.0	149.7			0	0			0
152		08:30:00		0				0	2141	0.0	149.7			0	0			0
153		08:55:00	Swab 1 Tag 1500 Pull 3000															
154		08:55:00	96	0				0	2141	12.0	161.7			0	0			0
155		09:15:00	Swab 2 Tag 1000 Pull 3400															
156		09:15:00	96	0				0	2141	14.0	175.7			0	0			0
157		09:30:00	Swab 3 Tag 1400 Pull 6000															
158		09:30:00	96	0				0	2141	11.0	186.7			0	0			0
159		09:45:00	Swab 4 Tag 1600 Pull 3700															
160		09:45:00	96	0				0	2141	7.0	193.7			0	0			0
161		10:05:00	Swab 5 Tag 1500 Pull 3700															
162		10:05:00	96	0				0	2141	6.0	199.7			0	0			0
163		10:15:00	Swab 6 Tag 1800 Pull 3790															
164		10:15:00	96	0				0	2141	9.0	208.7			0	0			0
165		10:30:00	Swab 7 Tag 2000 Pull 4000															
166		10:30:00	96	0				0	2141	5.0	213.7			0	0			0
167		10:45:00	Swab 8 Tag 2000 Pull 4000															
168		10:45:00	96	0				0	2141	5.0	218.7			0	0			0

From	2008/12/22 12:00:00	To	2008/12/23 12:00:00
Gas	0.000	Gas Cum	2.141
Oil		Oil Cum	
Water	86.000	Water Cum	235.710
Condensate	0.000	Cond Cum	0.000

Company: Golden Eagle
Well / Lease Name: Paradox Basin 1
Unique Well ID: 0Sec 16 Twp23N Rge 23W
Test Type: 4 Point Iso & 24Hr Flow

Field Measurements

Job Number:
Formation:
Field:
Pool:

			Wellhead			Gas Measured Rate Meter 5				Water Produced Volume				Condensate				
	Date	Time	Choke Size	Tubing Pres	Flow Temp	Static Pres	Meter Temp	Measured Rate	Gas Cum	Volume	Water Cum	Water Sal	Water PH	Volume	LPCond Cum	API	Sand	L.E.L's
	/YYY/MM/DD	HH:mm:ss	in	psi(g)	°F	psi(g)	°F	Mscfd	Mscf	bbl	bbl	%		bbl	bbl		%	ppm
169	2008/12/23	11:15:00	Well Kicked.															
170		11:15:00	96	0				0	2141	6.0	224.7			0	0			0
171		11:50:00	Swab 9	Tag 2100	Pull 4300													
172		11:50:00	96	0				0	2141	5.0	229.7			0	0			0
173		12:05:00	Swab 10	Tag 2500	Pull 4800													
174		12:05:00	96	0				0	2141	9.0	238.7			0	0			0
175		12:40:00	Swab 11	Tag 2600	Pull 5000													
176		12:40:00	96	0				0	2141	4.0	242.7			0	0			0
177		13:40:00	Swab 12	Tag 2000	Pull 3800													
178		13:40:00	96	0				0	2141	4.0	246.7			0	0			0
179		13:55:00	Well Kicked															
180		14:35:00	Swab 13	Tag 2000	Pull 3800													
181		14:35:00	96	0				0	2141	5.0	251.7			0	0			0
182		14:55:00	Swab 14	Tag Surface	Pull 1400													
183		14:55:00	96	0				0	2141	6.0	257.7			0	0			0
184		15:15:00	Swab 15	Tag Surface	Pull 1400													
185		15:15:00	96	0				0	2141	7.0	264.7			0	0			0
186		16:00:00		30				0	2141	0.0	264.7			0	0			0
187		16:30:00		60				0	2141	0.0	264.7			0	0			0
188		17:00:00		130				0	2141	0.0	264.7			0	0			0
189		17:30:00		260				0	2141	0.0	264.7			0	0			0
190		18:00:00		310				0	2141	0.0	264.7			0	0			0
191		18:30:00		420				0	2141	0.0	264.7			0	0			0
192		19:00:00		500				0	2141	0.0	264.7			0	0			0
193		19:30:00		500				0	2141	0.0	264.7			0	0			0
194		20:00:00		520				0	2141	0.0	264.7			0	0			0
195		20:30:00		540				0	2141	0.0	264.7			0	0			0
196		21:00:00		580				0	2141	0.0	264.7			0	0			0

From	2008/12/22 12:00:00	To	2008/12/23 12:00:00
Gas	0.000	Gas Cum	2.141
Oil		Oil Cum	
Water	86.000	Water Cum	235.710
Condensate	0.000	Cond Cum	0.000

Company: Golden Eagle
Well / Lease Name: Paradox Basin 1
Unique Well ID: 0Sec 16 Twp23N Rge 23W
Test Type: 4 Point Iso & 24Hr Flow

Field Measurements

Job Number:
Formation:
Field:
Pool:

			Wellhead			Gas Measured Rate Meter 5				Water Produced Volume				Condensate				
	Date	Time	Choke Size	Tubing Pres	Flow Temp	Static Pres	Meter Temp	Measured Rate	Gas Cum	Volume	Water Cum	Water Sal	Water PH	Volume	LPCond Cum	API	Sand	L.E.L's
	/YYY/MM/DD	HH:mm:ss	in	psi(g)	°F	psi(g)	°F	Mscfd	Mscf	bbl	bbl	%		bbl	bbl		%	ppm
197	2008/12/23	21:30:00		600				0	2141	0.0	264.7			0	0			0
198		22:00:00		640				0	2141	0.0	264.7			0	0			0
199		22:30:00		660				0	2141	0.0	264.7			0	0			0
200		23:00:00		700				0	2141	0.0	264.7			0	0			0
201		23:30:00		710				0	2141	0.0	264.7			0	0			0
202	2008/12/24	00:00:00		720				0	2141	0.0	264.7			0	0			0
203		00:30:00		720				0	2141	0.0	264.7			0	0			0
204		01:00:00		720				0	2141	0.0	264.7			0	0			0
205		01:30:00		720				0	2141	0.0	264.7			0	0			0
206		01:30:00	Open well on gut line 96/64 choke to pit to unload fluid. No Flow in 5 min															
207		02:00:00		0				0	2141	0.0	264.7			0	0			0
208		02:30:00		0				0	2141	0.0	264.7			0	0			0
209		02:30:00	Shut in build up pressure, no fluid or gas to surface for 1 hour															
210		03:00:00		0				0	2141	0.0	264.7			0	0			0
211		03:30:00		0				0	2141	0.0	264.7			0	0			0
212		04:00:00		20				0	2141	0.0	264.7			0	0			0
213		04:30:00		40				0	2141	0.0	264.7			0	0			0
214		05:00:00		70				0	2141	0.0	264.7			0	0			0
215		05:30:00		140				0	2141	0.0	264.7			0	0			0
216		06:00:00		180				0	2141	0.0	264.7			0	0			0
217		06:00:00	Total Gas Flared in Last 24hrs = 0.0 MCF															
218		06:00:00	Total Gas Flared to Date = 2141 MCF															
219		06:00:00	Total Water Produced To Date = 264.7BBLS															
220		06:00:00	Total Water Produced in 24hrs = 115.0 BBLS															
221		06:00:00	Total Oil Produced To Date = 0.00BBLS															
222		06:00:00	Total Oil Produced in 24hrs = 0.00BBLS															
223		06:00:00	15 swab runs bringing back a total of 115 bbls of fluid															
224		06:30:00		240				0	2141	0.0	264.7			0	0			

From	2008/12/23 12:00:00	To	2008/12/24 12:00:00
Gas	0.084	Gas Cum	2.225
Oil		Oil Cum	
Water	161.000	Water Cum	396.710
Condensate	0.000	Cond Cum	0.000

Company: Golden Eagle
Well / Lease Name: Paradox Basin 1
Unique Well ID: 0Sec 16 Twp23N Rge 23W
Test Type: 4 Point Iso & 24Hr Flow

Field Measurements

Job Number:
Formation:
Field:
Pool:

			Wellhead			Gas Measured Rate Meter 5				Water Produced Volume				Condensate				
	Date	Time	Choke Size	Tubing Pres	Flow Temp	Static Pres	Meter Temp	Measured Rate	Gas Cum	Volume	Water Cum	Water Sal	Water PH	Volume	LPCond Cum	API	Sand	L.E.L's
	/YYY/MM/DD	HH:mm:ss	in	psi(g)	°F	psi(g)	°F	Mscfd	Mscf	bbl	bbl	%		bbl	bbl		%	ppm
225	2008/12/24	07:00:00		300				0	2141	0.0	264.7			0	0			
226		07:30:00		360				0	2141	0.0	264.7			0	0			
227		07:30:00	Open Well To Flow To Pit 96/64" to unload fluid and draw down well															
228		07:50:00	Swab 16 Tag Surface Pull 3800															
229		08:15:00	Well Kicked. Allowed to Flow to Pit to Unload Fluid															
230		08:45:00	Burnable Gas To Surface, Divert Well To Separator on 96/64" Choke															
231		08:45:00	96	50	62	31	43	244	2154	52.0	316.7			0	0			0
232		09:00:00	96	110	63	58	55	465	2157	46.0	362.7	27.4	7	0	0		0.00	0
233		09:30:00	96	120	64	58	63	533	2168	10.0	372.7			0	0			0
234		10:00:00	96	115	64	58	81	555	2179	5.0	377.7	24.2	7	0	0	0	0.00	0
235		10:30:00	96	124	62	58	99	514	2190	7.0	384.7			0	0			0
236		11:00:00	96	120	63	58	98	578	2202	3.0	387.7	22.4	7	0	0		0.00	0
237		11:30:00	96	116	62	51	99	564	2214	4.0	391.7			0	0			0
238		12:00:00	96	120	65	58	98	543	2225	5.0	396.7	24.6	7	0	0		0.00	0
239		12:30:00	Inhibit Lines, Secure Equipment and WellHead. Return next week															
240		12:30:00	Total Gas Flared in Last 24hrs = 84.0 MCF															
241		12:30:00	Total Gas Flared to Date = 2225 MCF															
242		12:30:00	Total Water Produced To Date = 396.7 BBLS															
243		12:30:00	Total Water Produced in 24hrs = 132 BBLS															
244		12:30:00	Total Oil Produced To Date = 0.00BBLS															
245		12:30:00	Total Oil Produced in 24hrs = 0.00BBLS															
246	2008/12/29	07:00:00	Arrive on Location, Hold Safety Meeting. Rig in flowline to wellhead and power up equipment															
247		07:30:00	Open Well To Flow To Flare on 24/64" Choke.															
248		07:30:00	24	2250				0	2225	0.0	396.7	0.0		0	0		0.00	0
249		08:00:00	24	600	53	197	-39	2618	2280	0.0	396.7		7				0.00	0
250		08:00:00	Fluid To Surface															
251		08:30:00	24	650	54	192	-8	1155	2319	11.0	407.7							0
252		09:00:00	24	600	54	214	22	782	2339	12.5	420.2		7				0.00	0

From	2008/12/23 12:00:00	To	2008/12/24 12:00:00
Gas	0.084	Gas Cum	2.225
Oil		Oil Cum	
Water	161.000	Water Cum	396.710
Condensate	0.000	Cond Cum	0.000

Company: Golden Eagle
Well / Lease Name: Paradox Basin 1
Unique Well ID: 0Sec 16 Twp23N Rge 23W
Test Type: 4 Point Iso & 24Hr Flow

Field Measurements

Job Number:
Formation:
Field:
Pool:

			Wellhead			Gas Measured Rate Meter 5				Water Produced Volume				Condensate				
	Date	Time	Choke Size	Tubing Pres	Flow Temp	Static Pres	Meter Temp	Measured Rate	Gas Cum	Volume	Water Cum	Water Sal	Water PH	Volume	LPCond Cum	API	Sand	L.E.L's
	/YYY/MM/DD	HH:mm:ss	in	psi(g)	°F	psi(g)	°F	Mscfd	Mscf	bbl	bbl	%		bbl	bbl		%	ppm
253	2008/12/29	09:30:00	24	525	54	197	43	838	2356	12.0	432.2							0
254		09:45:00	Shut In Well For Slickline.															
255		10:00:00	RIH with Gauge Ring															
256		10:55:00	Slickline POOH															
257		11:30:00	RIH with Gauge Ring															
258		15:15:00	Pump 50gal Methanol down tubing.															
259		15:30:00	RIH with Gauge Ring															
260		15:50:00	Slickline POOH															
261		16:00:00	Open Well To Flow To Flare on 8/64" Choke.															
262		16:00:00	8	1700				0	2356	0.0	432.2	0.0		0	0		0.00	0
263		16:30:00	8	1550	38	193	53	511	2367									0
264		17:00:00	8	1300	36	192	50	416	2376	0.0	432.2		7	0	0		0.00	0
265		17:00:00	Increase Choke To 16/64"															
266		17:05:00	Fluid To Surface															
267		17:30:00	16	1050	50	196	77	712	2388	4.2	436.4							0
268		18:00:00	16	1055	51	194	81	720	2403	5.7	442.1	22.0	7	0	0	0	0.00	0
269		18:00:00	Increase Choke To 24/64"															
270		18:30:00	24	650	53	190	91	1062	2422	3.7	445.8							0
271		19:00:00	24	600	53	189	93	953	2443	6.3	452.1	23.4	7	0	0		0.00	0
272		19:00:00	Increase Choke To 32/64"															
273		19:30:00	32	350	50	147	94	1129	2464	8.9	461.0							0
274		20:00:00	32	350	54	148	95	936	2486	5.4	466.4	24.0	7	0	0		0.00	0
275		20:00:00	Decrease Choke To 24/64"															
276		20:30:00	24	425	53	143	91	760	2503	5.0	471.4							0
277		21:00:00	24	425	49	150	92	673	2518	4.9	476.3	24.2	7	0	0		0.00	0
278		21:30:00	24	400	49	151	92	662	2532	2.0	478.3							0
279		22:00:00	24	410	48	151	94	630	2546	3.4	481.7	23.8	7	0	0	0	0.00	0
280		22:30:00	24	410	48	150	95	633	2559	3.1	484.8							0

From	2008/12/28 12:00:00	To	2008/12/29 12:00:00
Gas	0.131	Gas Cum	2.356
Oil		Oil Cum	
Water	35.500	Water Cum	432.210
Condensate	0.000	Cond Cum	0.000

Company: Golden Eagle
Well / Lease Name: Paradox Basin 1
Unique Well ID: 0Sec 16 Twp23N Rge 23W
Test Type: 4 Point Iso & 24Hr Flow

Field Measurements

Job Number:
Formation:
Field:
Pool:

			Wellhead			Gas Measured Rate Meter 5				Water Produced Volume				Condensate				
	Date	Time	Choke Size	Tubing Pres	Flow Temp	Static Pres	Meter Temp	Measured Rate	Gas Cum	Volume	Water Cum	Water Sal	Water PH	Volume	LPCond Cum	API	Sand	L.E.L's
	/YYY/MM/DD	HH:mm:ss	in	psi(g)	°F	psi(g)	°F	Mscfd	Mscf	bbl	bbl	%		bbl	bbl		%	ppm
281	2008/12/29	23:00:00	24	400	49	150	94	592	2572	2.4	487.2	24.2	7	0	0		0.00	0
282		23:30:00	24	405	49	152	94	651	2585	3.6	490.8							0
283	2008/12/30	00:00:00	24	395	52	152	95	618	2598	4.3	495.0	24.5	7	0	0		0.00	0
284		00:30:00	24	410	51	151	95	624	2611	2.3	497.3							0
285		01:00:00	24	400	55	151	94	642	2624	2.0	499.3	24.4	7	0	0		0.00	0
286		01:30:00	24	410	54	151	94	691	2638	3.5	502.8							0
287		02:00:00	24	400	52	152	95	628	2652	2.7	505.5	24.0	7	0	0	0	0.00	0
288		02:30:00	24	375	53	151	94	635	2665	3.0	508.5							0
289		03:00:00	24	350	53	151	94	584	2677	4.0	512.5	23.8	7	0	0		0.00	0
290		03:30:00	24	375	53	151	95	603	2690	2.2	514.7							0
291		04:00:00	24	360	48	152	94	606	2702	3.2	517.9	23.2	7	0	0		0.00	0
292		04:30:00	24	350	49	151	94	597	2715	2.3	520.2							0
293		05:00:00	24	350	50	151	94	589	2727	2.0	522.2	23.2	7	0	0		0.00	0
294		05:30:00	24	350	51	136	93	617	2740	2.2	524.4							0
295		06:00:00	24	300	51	135	92	593	2752	4.9	529.3	23.6	7	0	0	0	0.00	0
296		06:00:00	Total Gas Flared in Last 24hrs = 527.0 MCF															
297		06:00:00	Total Gas Flared to Date = 2752 MCF															
298		06:00:00	Total Water Produced To Date = 529.3 BBLS															
299		06:00:00	Total Water Produced in 24hrs = 132.6 BBLS															
300		06:00:00	Total Oil Produced To Date = 0.00BBLS															
301		06:00:00	Total Oil Produced in 24hrs = 0.00BBLS															
302		06:30:00	24	310	52	134	94	480	2764									0
303		07:00:00	24	300	50	134	93	579	2775	5.8	535.1	23.2	7	0	0		0.00	0
304		07:30:00	24	300	50	135	91	578	2787									0
305		08:00:00	24	310	53	134	94	634	2799	5.5	540.6	23.2	7	0	0		0.00	0
306		08:30:00	24	325	58	134	97	555	2812									0
307		09:00:00	24	310	56	134	99	575	2823	5.2	545.8	23.2	7	0	0		0.00	0
308		09:30:00	24	300	54	135	101	541	2835									0

From	2008/12/29 12:00:00	To	2008/12/30 12:00:00
Gas	0.538	Gas Cum	2.894
Oil		Oil Cum	
Water	132.790	Water Cum	565.000
Condensate	0.000	Cond Cum	0.000

Company: Golden Eagle
Well / Lease Name: Paradox Basin 1
Unique Well ID: 0Sec 16 Twp23N Rge 23W
Test Type: 4 Point Iso & 24Hr Flow

Field Measurements

Job Number:
Formation:
Field:
Pool:

			Wellhead			Gas Measured Rate Meter 5				Water Produced Volume				Condensate				
	Date	Time	Choke Size	Tubing Pres	Flow Temp	Static Pres	Meter Temp	Measured Rate	Gas Cum	Volume	Water Cum	Water Sal	Water PH	Volume	LPCond Cum	API	Sand	L.E.L's
	YYYY/MM/DD	HH:mm:ss	in	psi(g)	°F	psi(g)	°F	Mscfd	Mscf	bbl	bbl	%		bbl	bbl		%	ppm
309	2008/12/30	10:00:00	24	300	53	134	103	608	2847	6.7	552.5	23.2	7	0	0	0	0.00	0
310		10:30:00	24	300	57	135	104	581	2859									0
311		11:00:00	24	310	59	135	105	584	2872	5.2	557.7	22.2	7	0	0		0.00	0
312		11:30:00	24	290	58	135	105	550	2883									0
313		12:00:00	24	275	56	134	103	516	2894	7.3	565.0	24.2	7	0	0		0.00	0
314		12:30:00	24	290	57	134	105	528	2905									0
315		13:00:00	24	300	57	135	105	572	2917	8.3	573.3	23.2	7	0	0		0.00	0
316		13:30:00	24	290	57	134	100	538	2928									0
317		14:00:00	24	300	57	134	102	572	2940	6.2	579.5	24.2	7	0	0	0	0.00	0
318		14:30:00	24	275	57	135	104	538	2951									0
319		15:00:00	24	290	56	134	102	545	2963	6.4	585.9	24.2	7	0	0		0.00	0
320		15:30:00	24	280	56	134	104	575	2974									0
321		16:00:00	24	290	57	135	102	548	2986	7.4	593.3	24.1	7	0	0		0.00	0
322		16:30:00	24	275	56	135	101	526	2997									0
323		17:00:00	24	250	56	134	100	534	3008	6.8	600.1	24.6	7	0	0		0.00	0
324		17:30:00	24	305	56	134	99	553	3020									0
325		18:00:00	24	305	53	135	98	564	3031	7.2	607.3	24.2	7	0	0	0	0.00	0
326		18:30:00	24	300	51	132	96	520	3043									0
327		19:00:00	24	305	52	134	97	562	3054	6.5	613.8	24.2	7	0	0		0.00	0
328		19:30:00	24	305	51	136	97	548	3065									0
329		20:00:00	24	305	51	132	97	519	3077	6.2	620.0	24.7	7	0	0		0.00	0
330		20:00:00	Total Gas Flared in Last 24hrs = 325.0 MCF															
331		20:00:00	Total Gas Flared to Date = 3077 MCF															
332		20:00:00	Total Water Produced To Date = 620 BBLS															
333		20:00:00	Total Water Produced in 24hrs = 90.7 BBLS															
334		20:00:00	Total Oil Produced To Date = 0.00BBLS															
335		20:00:00	Total Oil Produced in 24hrs = 0.00BBLS															
336																		

From	2008/12/29 12:00:00	To	2008/12/30 12:00:00
Gas	0.538	Gas Cum	2.894
Oil		Oil Cum	
Water	132.790	Water Cum	565.000
Condensate	0.000	Cond Cum	0.000

Company: Golden Eagle
Well / Lease Name: Paradox Basin 1
Unique Well ID: 0Sec 16 Twp23N Rge 23W
Test Type: 4 Point Iso & 24Hr Flow

Field Measurements

Job Number:
Formation:
Field:
Pool:

			Wellhead			Gas Measured Rate Meter 5				Water Produced Volume				Condensate				
	Date	Time	Choke Size	Tubing Pres	Flow Temp	Static Pres	Meter Temp	Measured Rate	Gas Cum	Volume	Water Cum	Water Sal	Water PH	Volume	LPCond Cum	API	Sand	L.E.L's
	/YYY/MM/DD	HH:mm:ss	in	psi(g)	°F	psi(g)	°F	Mscfd	Mscf	bbl	bbl	%		bbl	bbl		%	ppm
337																		

From
Gas
Oil
Water
Condensate

To
Gas Cum
Oil Cum
Water Cum
Cond Cum

2008/12/16 07:00:00

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER: Golden Eagle LLC

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

7. UNIT or CA AGREEMENT NAME: GOLDEN EAGLE 70

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: Paradox Basin #1

2. NAME OF OPERATOR: Golden Eagle Exploration LLC

9. API NUMBER: 4301931455 0000

3. ADDRESS OF OPERATOR: PO Box 1346 CITY Moab STATE UT ZIP 84532

PHONE NUMBER: (435) 259-2333

10. FIELD AND POOL, OR WILDCAT: Golden eagle

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: 16T 23S R23 E

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☑ REPERFORATE CURRENT FORMATION
Approximate date work will start:	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☑ VENT OR FLARE
☑ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER:
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Please find attached gas analysis for gases collected during December Flow testing.

NAME (PLEASE PRINT) Rick de Boer TITLE Chief Geologist

SIGNATURE Kelly Thurnway for Rick Deboer DATE 2/6/09

(This space for State use only)

(5/2000) (See Instructions on Reverse Side)

RECEIVED
FEB 10 2009
DIV. OF OIL, GAS & MINING

ENVIRO-CHEM
ANALYTICAL, INC.

ANALYTICAL TESTING LABORATORY
985 W. Gunnison, Suite #108, Grand Junction, CO 81501-7249, (970) 242-6154, FAX (970) 245-9270

To: Pure Energy
38C Jamison Dr.
Evanston, WY 82903

DATE: Jan. 9, 2009
NUMBER: ECA/PE 08-02

GAS ANALYSIS

COMPANY: Pure energy SUBMITTED BY: D. McCarvill SAMPLE IDENTIFICATION: 4EK082

DATE SAMPLED: 12/17/08 DATE RECEIVED: 12/19/08 DATE TESTED: 12/21/08

CAL. NUMBER	NAME	MOLE %, /100=X	IDEAL GAS SPECIFIC GRAVITY, G	IDEAL GROSS VALUE, DRY, BTU/SCF (60F and 760mm Hg) , H	COMPRESSIBILITY FACTOR @ STP , Z	SUMMATION FACTOR ,SQR b	COMPRESS. FACTOR xSQR b	SP.GR. FRACTION x G	HEATING VALUE FRACTION x H	GAL. LIQ./ 1000 SCF
1	HYDROGEN	0	0	325.02	1.0006			0	0	
2	PROPANE	2.789	0.5073	2517.5	0.982	0.1342	0.0037	0.0141	70.213	0.7655
4	ISO-BUTANE	0.641	0.5629	3252.7	0.9696	0.1744	0.0011	0.0036	20.849	0.2090
5	HYDROGEN SULFIDE	0	0.8026	637	0.9903	0.985	0	0	0	
6	N-BUTANE	0.629	0.5840	3262.1	0.9667	0.1825	0.0011	0.0036	20.518	0.1976
10	ISO-PENTANE	0.158	0.6245	4000.3	0.9482	0.2276	0.0003	0.0009	6.3204	0.0576
11	N-PENTANE	0.137	0.6311	4009.6	0.9435	0.2377	0.0002	0.0008	5.4931	0.0494
12	CARBON DIOXIDE	0.196	0.8227		0.9943	0.064	0.0001	0.0015	0	
14	ETHANE	3.458	0.3553	1768.8	0.9916	0.0917	0.0031	0.0123	61.165	
15	OXYGEN	0	1.1421		0.9992	0.027	0	0	0	
16	NITROGEN	0.067	0.8093		0.9997	0.0164	0.0000	0.0005	0	
17	METHANE	91.925	0.3	1009.7	0.9981	0.0436	0.0400	0.2757	928.16	
19	C6	0	0.6640	4756.2	0.91	0.3	0	0	0	0
20	C7	0	0.6881	5502.5	0.852	0.385	0	0	0	0
21	C8	0	0.7069	6249.1	0.783	0.423	0	0	0	0
22	C9	0	0.7218	6996.4	0.712	0.466	0	0	0	0
23	C10	0	0.7340	7743.2	0.655	0.502	0	0	0	0
TOTALS		100					0.0500	0.3135	1112.7	1.2794

NOTES: Z = 0.9974 . IDEAL SPECIFIC GRAVITY OF MIXTURE = 0.3135 . REAL SPECIFIC GRAVITY OF MIXTURE = 0.3141

IDEAL GROSS HEATING VALUE, DRY BASIS, PER SCF (60F & 760mm Hg) = 1112.7 . REAL GROSS, DRY HEATING VALUE = 1115.5

TO CONVERT EITHER THE IDEAL OR REAL DRY, GROSS HEATING VALUE TO SATURATED BASIS @ STP, MULTIPLY EITHER BY 0.9826 .
THE VALUES AND CALCULATION METHODS USED IN THIS REPORT ARE THOSE GIVEN IN GPA PUBLICATIONS 2145 - 00 AND 2172 - 96.

RESPECTFULLY SUBMITTED,

LIESE K. THOMPSON,

ENVIRO-CHEM
ANALYTICAL, INC.

ANALYTICAL TESTING LABORATORY
585 W. Gunnison, Suite #108, Grand Junction, CO 81501-7249, (970) 242-6154, FAX (970) 245-9270

To: Pure Energy
380 Jamison Dr.
Evanston, WY 82930

DATE: Jan. 9, 2009
NUMBER: ECA/PE 08-01

GAS ANALYSIS

COMPANY: Pure energy | SUBMITTED BY: D. McCarvill | SAMPLE IDENTIFICATION: 10EK081

DATE SAMPLED: 12/17/08 | DATE RECEIVED: 12/19/08 | DATE TESTED: 12/21/08

CAL. NUMBER	NAME	MOLE %, /100=X	IDEAL GAS SPECIFIC GRAVITY, G	IDEAL GROSS HEATING VALUE, (60F DRY, and 760mm Hg) BTU/SCF , H	COMPRESSIBILITY FACTOR @ STP , Z	SUMMATION FACTOR ,SQR b	COMPRESS. FACTOR xSQR b	SP.GR. FRACTION x G	HEATING VALUE FRACTION x H	GAL. LIQ./ 1000 SCF
1	HYDROGEN	0	0	325.02	1.0006			0	0	
2	PROPANE	1.043	0.5073	2517.5	0.982	0.1342	0.0013	0.0052	26.257	0.2863
4	ISO-BUTANE	0.321	0.5629	3252.7	0.9696	0.1744	0.0005	0.0018	10.441	0.1046
5	HYDROGEN SULFIDE	0	0.8026	637	0.9903	0.985	0	0	0	
6	N-BUTANE	0.266	0.5840	3262.1	0.9667	0.1825	0.0004	0.0015	8.6771	0.0836
10	ISO-PENTANE	0.055	0.6245	4000.3	0.9482	0.2276	0.0001	0.0003	2.2001	0.0200
11	N-PENTANE	0.046	0.6311	4009.6	0.9435	0.2377	0.0001	0.0002	1.8444	0.0166
12	CARBON DIOXIDE	0.288	0.8227		0.9943	0.064	0.0001	0.0023	0	
14	ETHANE	1.894	0.3563	1768.8	0.9916	0.0917	0.0017	0.0067	33.501	
15	OXYGEN	0	1.1421		0.9992	0.027	0	0	0	
16	NITROGEN	0.204	0.8093		0.9997	0.0164	0.0000	0.0016	0	
17	METHANE	95.883	0.3	1009.7	0.9981	0.0436	0.0418	0.2876	968.13	
19	C6	0	0.6640	4756.2	0.91	0.3	0	0	0	0
20	C7	0	0.6881	5502.5	0.852	0.385	0	0	0	0
21	C8	0	0.7069	6249.1	0.783	0.423	0	0	0	0
22	C9	0	0.7216	6996.4	0.712	0.466	0	0	0	0
23	C10	0	0.7340	7743.2	0.655	0.503	0	0	0	0
TOTALS		100					0.0464	0.3077	1051.0	0.5112

NOTES: Z = 0.9978 . IDEAL SPECIFIC GRAVITY OF MIXTURE = 0.3077 . REAL SPECIFIC GRAVITY OF MIXTURE = 0.3082

IDEAL GROSS HEATING VALUE, DRY BASIS, PER SCF (60F & 760mm Hg) = 1051.0 . REAL GROSS, DRY HEATING VALUE = 1053.3

TO CONVERT EITHER THE IDEAL OR REAL DRY, GROSS HEATING VALUE TO SATURATED BASIS @ STP, MULTIPLY EITHER BY 0.9826 .
THE VALUES AND CALCULATION METHODS USED IN THIS REPORT ARE THOSE GIVEN IN GPA PUBLICATIONS 2145 - 00 AND 2172 - 96.

RESPECTFULLY SUBMITTED,

LIBSE K. THOMPSON

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER: ML47365
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER
8. WELL NAME and NUMBER: Paradox Basin #1
2. NAME OF OPERATOR: GOLDEN EAGLE EXPLORATION, LLC
9. API NUMBER: 4301931455
3. ADDRESS OF OPERATOR: PO BOX 1346 CITY MOAB STATE UT ZIP 84532
PHONE NUMBER: (406) 896-4953
10. FIELD AND POOL, OR WILDCAT: Wildcat
4. LOCATION OF WELL
FOOTAGES AT SURFACE: 1006' FSL, 1729' FEL, 640966x, 4295573y
COUNTY: Grand
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 16 23S 23E 2
STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start:	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☑ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
Date of work completion: 1/8/2008	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: Production Water Analysis
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

1/8/2008 - Recieved water analysis results from production water and mud pit water for Paradox Basin #1 Well. Test results have been included with this sundry.

NAME (PLEASE PRINT) Kelly Shumway TITLE Corp. Secty

SIGNATURE Kelly Shumway DATE 2/12/2009

(This space for State use only)

RECEIVED
FEB 18 2009
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

ENVIRO-CHEM
ANALYTICAL, INC.

ANALYTICAL TESTING LABORATORY
665 W. Gunnison, Suite #108, Grand Junction, CO 81501-7249, (970) 242-6154, FAX (970) 245-9270

To: Pure Energy
380 Jamison Dr.
Evanston, WY 82903

Date: Jan. 8, 2009
No: ECA/PE 08-07

SAMPLE IDENTIFICATION

Submitted by: Duncan McCarvill
Date Sampled: Dec. 17, 2008

Sample I.D.: Water, Frac Manifold 1850
Date Received: Dec. 19, 2008

Comments: Kept 4C till tested
Date Tested: Dec. 19-Jan.5, 2009

RESULTS

Parameter	Results
TSS	1,390.74 mg/L
TDS	301,509.25 mg/L
Conductivity	436,506.00 umhos/cm
pH	5.23
Sodium	81,210 mg/L
Magnesium	1,560 mg/L
Potassium	4,890 mg/L
Calcium	21,930 mg/L
Alkalinity	62.43 mg/L
Bicarbonate	62.43 mg/L
Carbonate	0.00 mg/L
Sulfate	539.20 mg/L
Chlorides	147,815.86 mg/L

Results submitted by
Enviro-Chem Analytical, Inc.
Liese K. Thompson
Liese K. Thompson
Lab Director

ENVIRO-CHEM
ANALYTICAL INC.

ANALYTICAL TESTING LABORATORY
685 W. Gunnison, Suite #108, Grand Junction, CO 81501-7249, (970) 242-6154, FAX (970) 245-9270

To: Pure Energy
380 Jamison Dr.
Evanston, WY 82903

Date: Jan. 8, 2009
No: ECA/PE 08-04

SAMPLE IDENTIFICATION

Submitted by: Duncan McCarvill

Date Sampled: Dec. 17, 2008

Sample I.D.: Water, Frac Manifold 1845

Date Received: Dec. 19, 2008

Comments: Kept 4C till tested

Date Tested: Dec. 19-Jan.5, 2009

RESULTS

Parameter	Results
TSS	1,124.56 mg/L
TDS	302,533.33 mg/L
Conductivity	444,437.50 umhos/cm
pH	5.27
Sodium	83,010 mg/L
Magnesium	1,380 mg/L
Potassium	4,620 mg/L
Calcium	18,720 mg/L
Alkalinity	62.43 mg/L
Bicarbonate	62.43 mg/L
Carbonate	0.00 mg/L
Sulfate	588.59 mg/L
Chlorides	145,417.67 mg/L

Results submitted by
Enviro-Chem Analytical, Inc.
Liese K. Thompson
Liese K. Thompson
Lab Director

ENVIRO-CHEM
ANALYTICAL, INC.

ANALYTICAL TESTING LABORATORY
665 W. Gunnison, Suite #108, Grand Junction, CO 81521-7548, (970) 242-6154, FAX (970) 245-9270

To: Pure Energy
380 Jamison Dr.
Evanston, WY 82903

Date: Jan. 8, 2009
No: ECAPE 08-08

SAMPLE IDENTIFICATION

Submitted by: Duncan McCarvill

Sample I.D.: Solid, Pit solids

Comments: Kept 4C till tested

Date Sampled: Dec. 18, 2008

Date Received: Dec. 19, 2008

Date Tested: Dec. 19-Jan.5, 2009

RESULTS

Parameter	Results
Conductivity	63,215.00 umhos/cm
pH	7.63
Sodium	3,675 mg/L
Magnesium	78.00 mg/L
Potassium	207.0 mg/L
Calcium	801.50 mg/L
Alkalinity	66.33 mg/L
Bicarbonate	66.33 mg/L
Carbonate	0.00 mg/L
Sulfate	0.34 mg/L
Chlorides	13,953.12 mg/L

Results submitted by
Enviro-Chem Analytical, Inc.
Liese K. Thompson
Liese K. Thompson
Lab Director

ENVIRO-CHEM
ANALYTICAL, INC.

ANALYTICAL TESTING LABORATORY
685 W. Gunnison, Suite #108, Grand Junction, CO 81501-7249, (970) 242-5154, FAX (970) 245-9270

To: Pure Energy
380 Jamison Dr.
Evanston, WY 82903

Date: Jan. 8, 2009
No: ECA/PE 08-09

SAMPLE IDENTIFICATION

Submitted by: Duncan McCarvill

Date Sampled: Dec. 18, 2008

Sample I.D.: Solid, Pit solids#2

Date Received: Dec. 19, 2008

Comments: Kept 4C till tested

Date Tested: Dec. 19-Jan.5, 2009

RESULTS

Parameter	Results
Conductivity	77,935.00 umhos/cm
pH	7.65
Sodium	5,147.5 mg/L
Magnesium	101.5 mg/L
Potassium	411.0 mg/L
Calcium	1,048 mg/L
Alkalinity	66.33 mg/L
Bicarbonate	66.33 mg/L
Carbonate	0.00 mg/L
Sulfate	0.33 mg/L
Chlorides	19,185.54 mg/L

Results submitted by
Enviro-Chem Analytical, Inc.
Liese K. Thompson
Liese K. Thompson
Lab Director

Form 3160-5
(September 2001)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires: January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

5. Lease Serial No.
State ML 47365

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
Golden Eagle 70 Unit

1. Type of Well
☐ Oil Well ☑ Gas Well ☐ Other

8. Well Name and No.
Paradox Basin #1

2. Name of Operator **Golden Eagle Exploration LLC**

9. API Well No.
43-019-31455

3a. Address **P.O. Box 1346, Moab, UT 84532**

3b. Phone No. *(include area code)* **435-259-2333**

10. Field and Pool, or Exploratory Area
Paradox Basin

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
SWSE S16, T23S, R23E

11. County or Parish, State
Grand, Utah

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☑ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Please find attached gas analysis for gases collected during December Flow testing

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)* **Kelly Shumway** Title **Corp Secretary**

Signature Date **01/23/2009**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by ACCEPTED Title Division of Resources Date 2/9/09

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Office Moab Field Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

ACCEPT for unit purposes: eej 2.9.9

RECEIVED
FEB 17 2009
DIV. OF OIL, GAS & MINING

cc'd USO 2.17.09

ENVIRO-CHEM
ANALYTICAL INC.

ANALYTICAL TESTING LABORATORY
985 W. Gunnison, Suite #108, Grand Junction, CO 81501-7249, (970) 242-6154, FAX (970) 245-9270

To: Pure Energy
38C Jamison Dr.
Evanston, WY 82903

DATE: Jan. 9, 2009
NUMBER: ECA/PE 08-02

GAS ANALYSIS

COMPANY: Pure energy SUBMITTED BY: D. McCarvill SAMPLE IDENTIFICATION: 4HK062

DATE SAMPLED: 12/17/08 DATE RECEIVED: 12/19/08 DATE TESTED: 12/21/08

CAL. NUMBER	NAME	MOLE %, /100=X	IDEAL GAS SPECIFIC GRAVITY, G	IDEAL GROSS VALUE, DRY, (60F and 760mm Hg) BTU/SCF , H	HEATING COMPRESSIBILITY FACTOR @ STP , Z	SUMMATION FACTOR ,SQR b	COMPRESS. FRACTION xSQR b	SP.GR. FRACTION. x G	HEATING VALUE FRACTION. x H	GAL. LIQ./ 1000 SCF
1	HYDROGEN	0	0	325.02	1.0006			0	0	
2	PROPANE	2.789	0.5073	2517.5	0.982	0.1342	0.0037	0.0141	70.213	0.7655
4	ISO-BUTANE	0.641	0.5629	3252.7	0.9696	0.1744	0.0011	0.0036	20.849	0.2090
5	HYDROGEN SULFIDE	0	0.8026	637	0.9903	0.985	0	0	0	
6	N-BUTANE	0.629	0.5840	3262.1	0.9667	0.1825	0.0011	0.0036	20.518	0.1976
10	ISO-PENTANE	0.158	0.6245	4000.3	0.9482	0.2276	0.0002	0.0009	6.3204	0.0576
11	N-PENTANE	0.137	0.6311	4009.6	0.9435	0.2377	0.0002	0.0008	5.4931	0.0494
12	CARBON DIOXIDE	0.196	0.8227		0.9943	0.064	0.0001	0.0016	0	
14	ETHANE	3.458	0.3553	1768.8	0.9916	0.0917	0.0031	0.0123	61.165	
15	OXYGEN	0	1.1421		0.9992	0.027	0	0	0	
16	NITROGEN	0.067	0.8093		0.9997	0.0164	0.0000	0.0005	0	
17	METHANE	91.925	0.3	1009.7	0.9981	0.0436	0.0400	0.2757	928.16	
19	C6	0	0.6640	4756.2	0.91	0.3	0	0	0	0
20	C7	0	0.6881	5502.5	0.852	0.385	0	0	0	0
21	C8	0	0.7069	6249.1	0.783	0.423	0	0	0	0
22	C9	0	0.7218	6996.4	0.712	0.466	0	0	0	0
23	C10	0	0.7340	7743.2	0.655	0.503	0	0	0	0
TOTALS		100				0.0500	0.3135	1112.7	1.2794	

NOTES: Z = 0.9974 . IDEAL SPECIFIC GRAVITY OF MIXTURE = 0.3135 . REAL SPECIFIC GRAVITY OF MIXTURE = 0.3141

IDEAL GROSS HEATING VALUE, DRY BASIS, PER SCF (60F & 760mm Hg) = 1112.7 . REAL GROSS, DRY HEATING VALUE = 1115.5

TO CONVERT EITHER THE IDEAL OR REAL DRY, GROSS HEATING VALUE TO SATURATED BASIS @ STP, MULTIPLY EITHER BY 0.9826 .
THE VALUES AND CALCULATION METHODS USED IN THIS REPORT ARE THOSE GIVEN IN GPA PUBLICATIONS 2145 - 00 AND 2172 - 96.

RESPECTFULLY SUBMITTED,

LIESE K . THOMPSON,

ENVIRO-CHEM
ANALYTICAL, INC.

ANALYTICAL TESTING LABORATORY
585 W. Gunnison, Suite #108, Grand Junction, CO 81501-7249, (970) 242-6154, FAX (970) 245-9270

To: Pure Energy
380 Jamison Dr.
Evanston, WY 82930

DATE: Jan. 9, 2009
NUMBER: ECA/PE 08-01

GAS ANALYSIS

COMPANY: Pure energy | SUBMITTED BY: D. McCarvill | SAMPLE IDENTIFICATION: 10EK081

DATE SAMPLED: 12/17/08 | DATE RECEIVED: 12/19/08 | DATE TESTED: 12/21/08

CAL. NUMBER	NAME	MOLE %, /100=X	IDEAL GAS SPECIFIC GRAVITY, G	IDEAL GROSS VALUE, DRY, (60F and 760mm Hg) BTU/SCF, H	HEATING COMPRESSIBILITY FACTOR @ STP, Z	SUMMATION FACTOR, SQR b	COMPRESS. FRACTION xSQR b	SP.GR. FRACTION. x G	HEATING VALUE FRACTION. x H	GAL. LIQ./ 1000 SCF
1	HYDROGEN	0	0	325.02	1.0006			0	0	
2	PROPANE	1.043	0.5073	2517.5	0.982	0.1342	0.0013	0.0052	26.257	0.2863
4	ISO-BUTANE	0.321	0.5629	3252.7	0.9696	0.1744	0.0005	0.0018	10.441	0.1046
5	HYDROGEN SULFIDE	0	0.8026	637	0.9903	0.985	0	0	0	
6	N-BUTANE	0.266	0.5840	3262.1	0.9667	0.1825	0.0004	0.0015	8.6771	0.0836
10	ISO-PENTANE	0.055	0.6245	4000.3	0.9482	0.2276	0.0001	0.0003	2.2001	0.0200
11	N-PENTANE	0.046	0.6311	4009.6	0.9435	0.2377	0.0001	0.0002	1.8444	0.0166
12	CARBON DIOXIDE	0.288	0.8227		0.9943	0.064	0.0001	0.0023	0	
14	ETHANE	1.894	0.3563	1768.8	0.9916	0.0917	0.0017	0.0067	33.501	
15	OXYGEN	0	1.1421		0.9992	0.027	0	0	0	
16	NITROGEN	0.204	0.8093		0.9997	0.0164	0.0000	0.0016	0	
17	METHANE	95.883	0.3	1009.7	0.9981	0.0436	0.0418	0.2876	968.13	
19	C6	0	0.6640	4756.2	0.91	0.3	0	0	0	0
20	C7	0	0.6881	5502.5	0.852	0.385	0	0	0	0
21	C8	0	0.7069	6249.1	0.783	0.423	0	0	0	0
22	C9	0	0.7216	6996.4	0.712	0.466	0	0	0	0
23	C10	0	0.7340	7743.2	0.655	0.503	0	0	0	0
TOTALS		100				0.0464	0.3077	1051.0	0.5112	

NOTES: Z = 0.9978 . IDEAL SPECIFIC GRAVITY OF MIXTURE = 0.3077 . REAL SPECIFIC GRAVITY OF MIXTURE = 0.3082

IDEAL GROSS HEATING VALUE, DRY BASIS, PER SCF (60F & 760mm Hg) = 1051.0 . REAL GROSS, DRY HEATING VALUE = 1053.3

TO CONVERT EITHER THE IDEAL OR REAL DRY, GROSS HEATING VALUE TO SATURATED BASIS @ STP, MULTIPLY EITHER BY 0.9826 .
THE VALUES AND CALCULATION METHODS USED IN THIS REPORT ARE THOSE GIVEN IN GPA PUBLICATIONS 2145 - 00 AND 2172 - 96.

RESPECTFULLY SUBMITTED,

LIESE K. THOMPSON

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER: State ML 47365

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

7. UNIT or CA AGREEMENT NAME: Golden Eagle 70 Unit

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: Paradox Basin #1

2. NAME OF OPERATOR: Golden Eagle Exploration, LLC

9. API NUMBER: 4301931455

3. ADDRESS OF OPERATOR: P.O. Box 1346 CITY Moab STATE UT ZIP 84532

PHONE NUMBER: (435) 259-2333

10. FIELD AND POOL, OR WILDCAT: Paradox Basin

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 16 23S 23E

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start: 2/25/2009	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: reclamation of reserve pit - proposed
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Paradox Basin #1
State Surface
Proposed reclamation of reserve pit
1) Mix in native materials on location to stiffen up pit contents as necessary maintaining existing liner integrity to avoid future leaks.
2) Cut top edge of existing liner and fold back into pit.
3) Layer the top of reserve pit with a 16 mil liner
4) Cover the top liner with 18-24 inches of soil to reduce upward migration of pit contents.
5) Dirt cover layer of pit initially should be higher to location to allow for soil compaction and prevent precipitation collecting in area of old pit

NAME (PLEASE PRINT) Kelly Shumway TITLE Corporate Secretary

SIGNATURE Kelly Shumway DATE 2/12/2009

(This space for State use only)

RECEIVED
FEB 24 2009
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER: State ML 47365
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
7. UNIT or CA AGREEMENT NAME: Golden Eagle 70 Unit
8. WELL NAME and NUMBER: Paradox Basin #1
9. API NUMBER: 4301931455
10. FIELD AND POOL, OR WILDCAT: Paradox Basin

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER
2. NAME OF OPERATOR: Golden Eagle Exploration, LLC
3. ADDRESS OF OPERATOR: P.O. Box 1346 CITY Moab STATE UT ZIP 84532 PHONE NUMBER: (435) 259-2333
4. LOCATION OF WELL
FOOTAGES AT SURFACE:
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 16 23S 23E
COUNTY: Grand
STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start: 2/25/2009	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: reclamation of reserve pit - proposed
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Paradox Basin #1
State Surface
Proposed reclamation of reserve pit
1) Mix in native materials on location to stiffen up pit contents as necessary maintaining existing liner integrity to avoid future leaks.
2) Cut top edge of existing liner and fold back into pit.
3) Layer the top of reserve pit with a 16 mil liner
4) Cover the top liner with 18-24 inches of soil to reduce upward migration of pit contents.
5) Dirt cover layer of pit initially should be higher to location to allow for soil compaction and prevent precipitation collecting in area of old pit

COPY SENT TO OPERATOR
Date: 3·12·2009
Initials: KS

Approved by the Utah Division of Oil, Gas and Mining
Date: 3/10/09
By: Dan Jarvis

NAME (PLEASE PRINT) Kelly Shumway TITLE Corporate Secretary
SIGNATURE Kelly Shumway DATE 2/12/2009

(This space for State use only)

RECEIVED
FEB 24 2009
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

March 3, 2009

CERTIFIED MAIL NO.: 7005 0390 0000 7507 4337

Mr. Gary Nydegger
Golden Eagle Exploration LLC
1616 17th Street
Denver, CO 80202

23S 23E 16

Subject: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases
Paradox Basin 1 API #43-019-31455

Dear Mr. Nydegger:

As of January 2009, Golden Eagle Exploration LLC has one (1) State Lease Well (see attachment A) that is currently in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status.

Wells SI/TA beyond twelve (12) consecutive months requires filing a Sundry Notice (R649-3-36-1). Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Utah Division of Oil, Gas & Mining (Division) grants approval for extended shut-in time upon a showing of good cause by the operator (649-3-36-1.3.3). For extended SI/TA consideration the operator shall provide the Division with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).

2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and

3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

Please note that the Divisions preferred method for showing well integrity is by MIT.

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

UTAH DNR OIL, GAS & MINING

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,

Dustin K. Doucet
Petroleum Engineer

DKD/JP/js
Enclosure
cc: Jim Davis, SITLA
Compliance File
Well File

N:\O&G Reviewed Docs\ChronFile\PetroleumEngineer\SITA

ATTACHMENT A

	Well Name	API	Lease Type	Years Inactive
1	PARADOX BASIN 1	43-019-31455	ML 47365	1 Year 5 Months

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER:	ML-47365
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	NA
7. UNIT or CA AGREEMENT NAME:	Golden Eagle 70
8. WELL NAME and NUMBER:	Paradox Basin #1
9. API NUMBER:	4301931455
10. FIELD AND POOL, OR WILDCAT:	Wildcat

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☐ OTHER Exploratory Well

2. NAME OF OPERATOR: Golden Eagle Exploration LLC.

3. ADDRESS OF OPERATOR: 1300 S. Hwy 191 CITY Moab STATE UT ZIP 84532 PHONE NUMBER: (435) 259-2333

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 1006 FSL, 1729 FEL COUNTY: Grand
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 16 23S 23E STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start: 8/20/2009	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER:
	☐ CONVERT WELL TYPE	☑ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Request approval to workover the Paradox Basin #1 well and test the Ismay formation perforations from 9725'-9860'

COPY SENT TO OPERATOR
Date: 8·19·2009
Initials: KS

NAME (PLEASE PRINT) Lindsey Hockert TITLE Agent for Golden Eagle, LLC

SIGNATURE [signature] DATE 8/18/2009

(This space for State use only)

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
DATE: 8/18/09
BY: [signature]

RECEIVED
AUG 18 2009
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

GOLDEN EAGLE EXPLORATION, LLC

PARADOX BASIN No. 1

Sundry Notice Procedure to Workover Ismay Formation
August 17 , 2009

Prospect:	Yellow Cat Prospect
Well Name:	**Paradox Basin No. 1**
Actual Surface Location:	SWSE Sec 16-T23S -R23E 1006' FSL & 1729' FEL of Sec 16 Lat. 38° 47' 58.190" N; Long. 109° 22' 38.649" W Grand County, Utah State Surface Mineral Lease No. ML47365 API No.43-019-31455
Actual Depth:	16471' MDTD
Current PBTD:	10715' MD
Current Fm & Perforations:	Ismay Fm 9725 - 9732 Aug. 04, 2007 4 spf 9740 - 9760 Aug. 04, 2007 4 spf 9850 – 9860 Aug. 04, 2007 4 spf *9747 - 9770 Dec. 20, 2008 8 spf* *9783 - 9800 Dec. 20, 2008 8 spf* *9810 - 9818 Dec. 20, 2008 8 spf* *9830 - 9842 Dec. 20, 2008 8 spf* *9850 – 9860 Dec. 20, 2008 8 spf repeat*
Well Status:	The Well is temporarily shut in.
Attachments:	Well Bore Schematic

Existing Casing / Tubing Summary

Size	Weight	Grade	Conn.	Col	Int Yield	Jt.St.	Body Yld	Setting Depth, MD Feet		
OD in	ppf			psi	psi	Kips	Kips	from	to	ft
13 3/8	61 / 68	K-55	BTC	1540	3090			*0*	*3937*	3938
9 5/8	53.5	P-110 FSS95	LTC	7930	10900			*0*	*9595*	9595
7 Lin	26.0	L-80	LTC	5410	7240			*9149*	*14968*	5819
7 TB	26.0	L-80	LTC	11780	7240			*0*	*9148*	9148
2 3/8	4.7	N-80	EUE	11780	11200	104300	104300	*0*	*9702*	9681

Procedure:

1. Request approval from the Utah DOGM and the BLM.to workover the Paradox Basin #1 well and test the Ismay formation perforations from 9725' – 9860'.

2. Move in well test equipment.

3. Move in a workover rig, kill the well with 8.4 ppg KCl Water.

4. Install a CIW BPV, remove the 3" 5M tree, nipple up and pressure test a 7 1/16" 5M BOPs.

5. Release 7" Halliburton "PLS" packer and POOH laying down 2 3/8" tubing.

6. PU a new 7" Halliburton "PLS" packer and RIH picking up 2 3/8" 4.7 ppf L-80 EUE 8rd tubing and set packer at ± 9625'.

7. Install a 2 1/6" 5M tree.

8. Run pressure gauges to establish fluid gradients in the well bore in order to determine a valid reservoir pressure.

9. Open well to flow on test. Results of flow test will be utilized in determining the size and type of fracture stimulation, if required.

10. Frac as per plan. Details of frac will be determined from flow test results and pressure buildup in step 9 above.

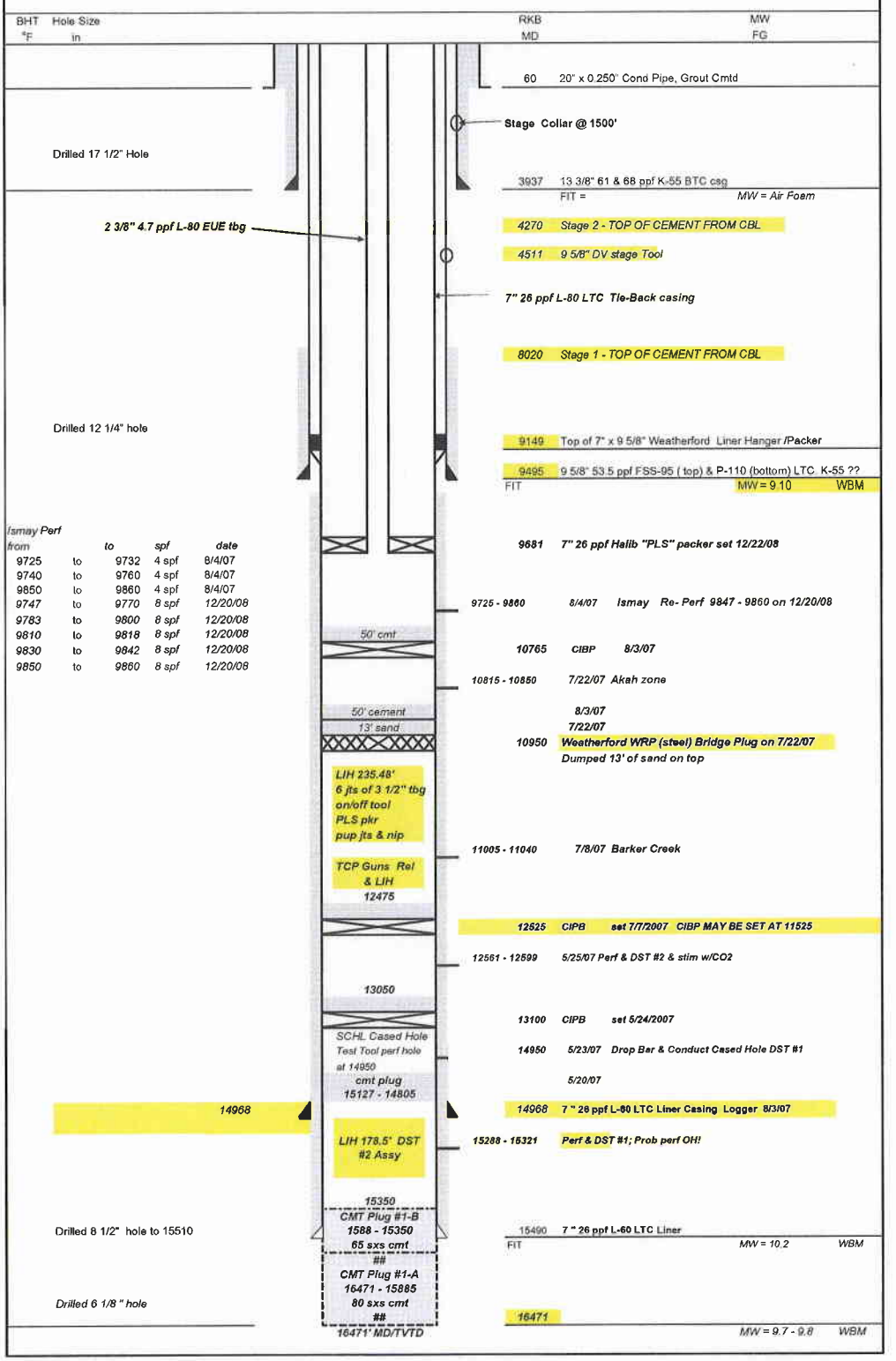
11. Flow well to clean up and test to determine sustained flow capabilities.

12. Shut well in and secure well. Wait on production equipment & pipeline connection.

GOLDEN EAGLE EXPLORATION, LLC
Paradox Basin #1
Grand Co., Utah
Proposed Well Bore Schematic Aug 11, 2009

Actual Surf Loc: Sec 16 - T23S - R23E
1006' FSL & 1729' FEL of Sec 16
Grand County, Utah

Rig: DHS 12
Actual TD: 16,471' MD / TVD
GL Elev: 5045.4'
Dir Well: No



SJ - 7/16/09

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47365

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

7. UNIT or CA AGREEMENT NAME: Golden Eagle 70

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: Paradox Basin #1

2. NAME OF OPERATOR: Golden Eagle Exploration, LLC

9. API NUMBER: 4301931455

3. ADDRESS OF OPERATOR: P.O. Box 1346 CITY Moab STATE UT ZIP 84532

PHONE NUMBER: (435) 259-2333

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1,006' FSL & 1,729' FEL

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 16 23S 23E S

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start: _____	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☑ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
Date of work completion: 8/22/2009	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: Weekly Completion Report
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Attached please find the weekly completion report for the Paradox Basin #1 dated 8-20-2009 to 8-22-2009

RECEIVED
AUG 2 3 2009
DIV. OF OIL, GAS & MINING

[redacted]

NAME (PLEASE PRINT) Don Hamilton TITLE Agent for Golden Eagle Exploration, LLC

SIGNATURE Don Hamilton DATE 8/24/2009

(This space for State use only)

(5/2000) (See Instructions on Reverse Side)

GOLDEN EAGLE EXPLORATION, LLC
DAILY COMPLETION REPORT 8-20-2009 to 8-22-2009
Paradox Basin #1

CONFIDENTIAL -- TIGHT HOLE

8-20-2009

SITP This AM is 3400 psi. Moved in & RU Pure Energy Test Equipment and spot Monument Well Service Rig #22

8-21-2009

RU Halliburton SLU & attempt to run 1.906 Gauge Ring stopped @ 7' below hanger. Ran 1.606 GR to 100'. Open well with 3450 psi SITP & flow well on 12/64" ck for 2.5 hrs, rate decreasing f/ 3.336 MMcfpd to 2.430 MMcfpd, FTP dec f/ 3450 psi. to 1950 psi. Shut well in to run WL broach and clean out burrs inside 2 3/8 tubing.

8-22-2009

Added 1200 psi FTP this AM

RU Halib SLU & ran 1.85" x 1.106 Broach to 3750, unabable to go deeper, POOH w/ broach. Flow well for 2 hours in attempt to flow out debris. RU SLU & ran 1.906 gauge ring & tagged obst @ 3750, took 200 lb overpull to PU. POOH w/ GR. RBIH w/ 1.85" x 1.106 Broach & could not get past 3750, POOH. Flowed well f/ 1 hr. Installed a 3" x 5M swab valve & 2" x 5M wing valve. Flow tested well, last 24 hrs flowed for 16 hrs, Initial rate 2.257 MMcfpd 12/64", FTP after SI was 3075 psi. This AM FTP is 1200 psi, rate is 0.671 MMcfpd, 8-10 BWPH, 254,000 Cl, 14/64" ck. Water to surface @ 20:15 hrs.

API Well No: 43019314550000

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5.LEASE DESIGNATION AND SERIAL NUMBER: ML47365

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: GOLDEN EAGLE 70

1. TYPE OF WELL Oil Well

8. WELL NAME and NUMBER: PARADOX BASIN 1

2. NAME OF OPERATOR: GOLDEN EAGLE EXPLORATION, LLC

9. API NUMBER: 43019314550000

3. ADDRESS OF OPERATOR: P.O. Box 1346 , Moab, UT, 84532 **PHONE NUMBER:** 435 259-2333 Ext

9. FIELD and POOL or WILDCAT: WILDCAT

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 1006 FSL 1729 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWSE Section: 16 Township: 23.0S Range: 23.0E Meridian: S

COUNTY: GRAND

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ NOTICE OF INTENT Approximate date work will start: 4/1/2010	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SPUD REPORT Date of Spud:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ DRILLING REPORT Report Date:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	✓ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Golden Eagle Exploration, LLC respectfully submits this application to sidetrack the existing Paradox Basin #1 and drill as a directional to 10446' MD / 10250' TVD. Surface Location: 1,006’ FSL & 1,729’ FEL, SW/4 SE/4, Target Location: 1,282’ FSL & 969’ FEL, SE/4 SE/4, Attached please find an updated plat, request for exception to spacing,sidetrack program,well bore schematics and directional plan.

----------CONFIDENTIAL - TIGHT HOLE----------

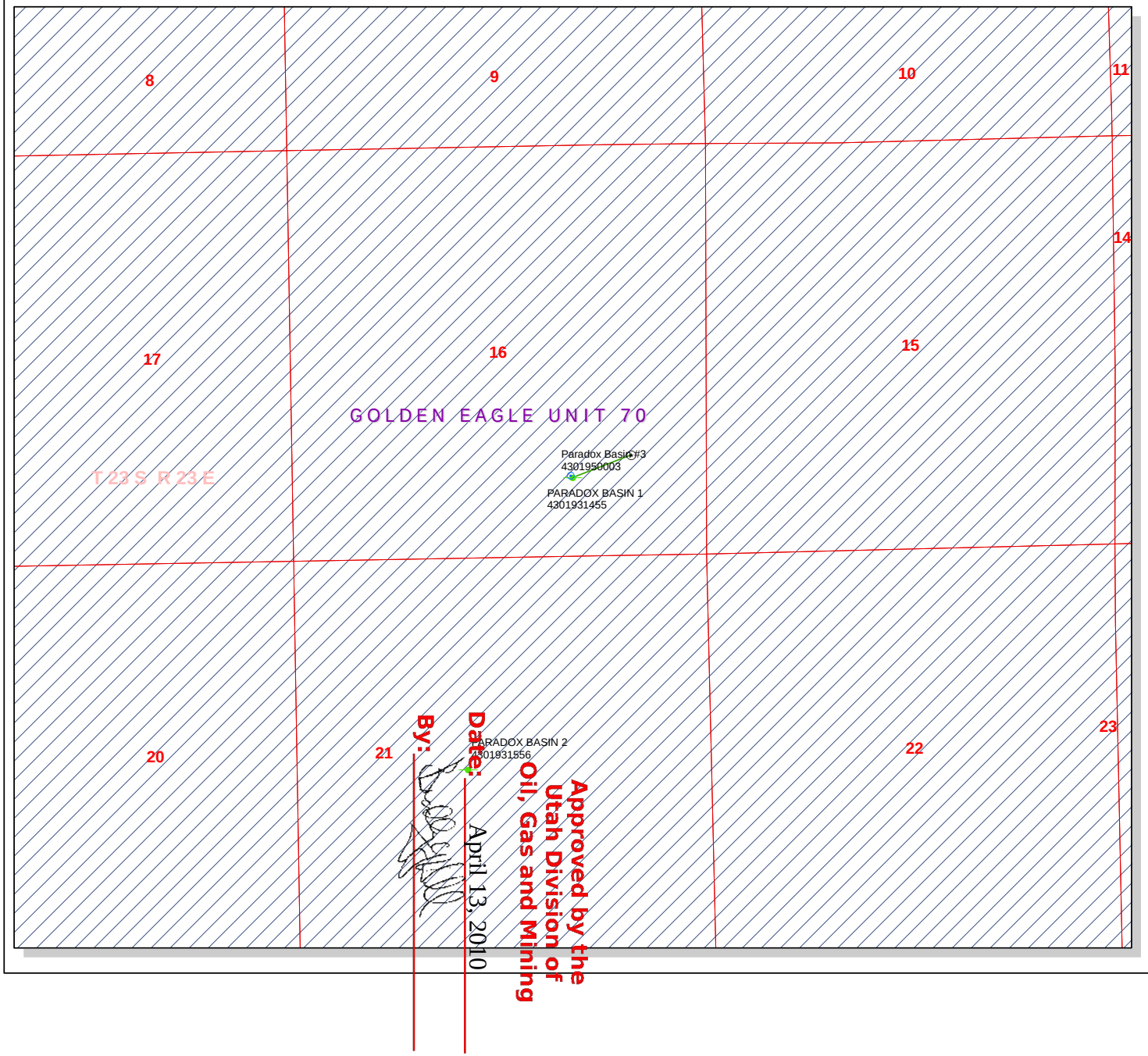
Approved by the Utah Division of Oil, Gas and Mining

Date: April 13, 2010

By:

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Don Hamilton	435 719-2018	Permitting Agent (Buys & Associates, Inc)
SIGNATURE N/A		**DATE** 3/24/2010

RECEIVED March 24, 2010



API Number: 4301931455

Well Name: PARADOX BASIN 1

Township 23.0 S Range 23.0 E Section 16

Meridian: SLBM

Operator: GOLDEN EAGLE EXPLORATION, LLC

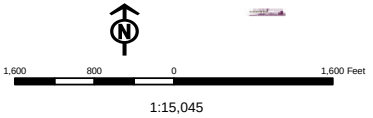
Map Prepared:
Map Produced by Diana Mason

Units
STATUS
- ACTIVE
- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Fields
- Sections
- Township

Wells Query
- <all other values>

Status
- APD - Aproved Permit
- DRL - Spuded (Drilling Commenced)
- GIW - Gas Injection
- GS - Gas Storage
- LA - Location Abandoned
- LOC - New Location
- OPS - Operation Suspended
- PA - Plugged Abandoned
- PGW - Producing Gas Well
- POW - Producing Oil Well
- RET - Returned APD
- SGW - Shut-in Gas Well
- SOW - Shut-in Oil Well
- TA - Temp. Abandoned
- TW - Test Well
- WDW - Water Disposal
- WIW - Water Injection Well
- WSW - Water Supply Well



1:15,045

Well name:	**43019314550000 ParadoxBasin1rev**
Operator:	**Golden Eagle Exploration, LLC**
String type:	Production
Project ID:	43-019-31455-0000
Location:	Grand County, Utah

Design parameters:

Collapse

Mud weight: 8.600 ppg
Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 2,324 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 4,579 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

8 Round STC:	1.80 (J)
8 Round LTC:	1.80 (J)
Buttress:	1.60 (J)
Premium:	1.50 (J)
Body yield:	1.50 (B)

Tension is based on buoyed weight.
Neutral point: 8,941 ft

Environment:

H2S considered?	No
Surface temperature:	75 °F
Bottom hole temperature:	218 °F
Temperature gradient:	1.40 °F/100ft
Minimum section length:	1,500 ft
Cement top:	7,523 ft

Directional well information:

Kick-off point	0 ft
Departure at shoe:	808 ft
Maximum dogleg:	2 °/100ft
Inclination at shoe:	34.37 °

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	10446	4.5	11.60	HCP-110	LT&C	10250	10446	3.875	911.6

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	4579	8650	1.889	4579	10690	2.33	104	279	2.69 J

Approved by the Utah Division of Oil, Gas and Mining

Date: April 13, 2010

By:

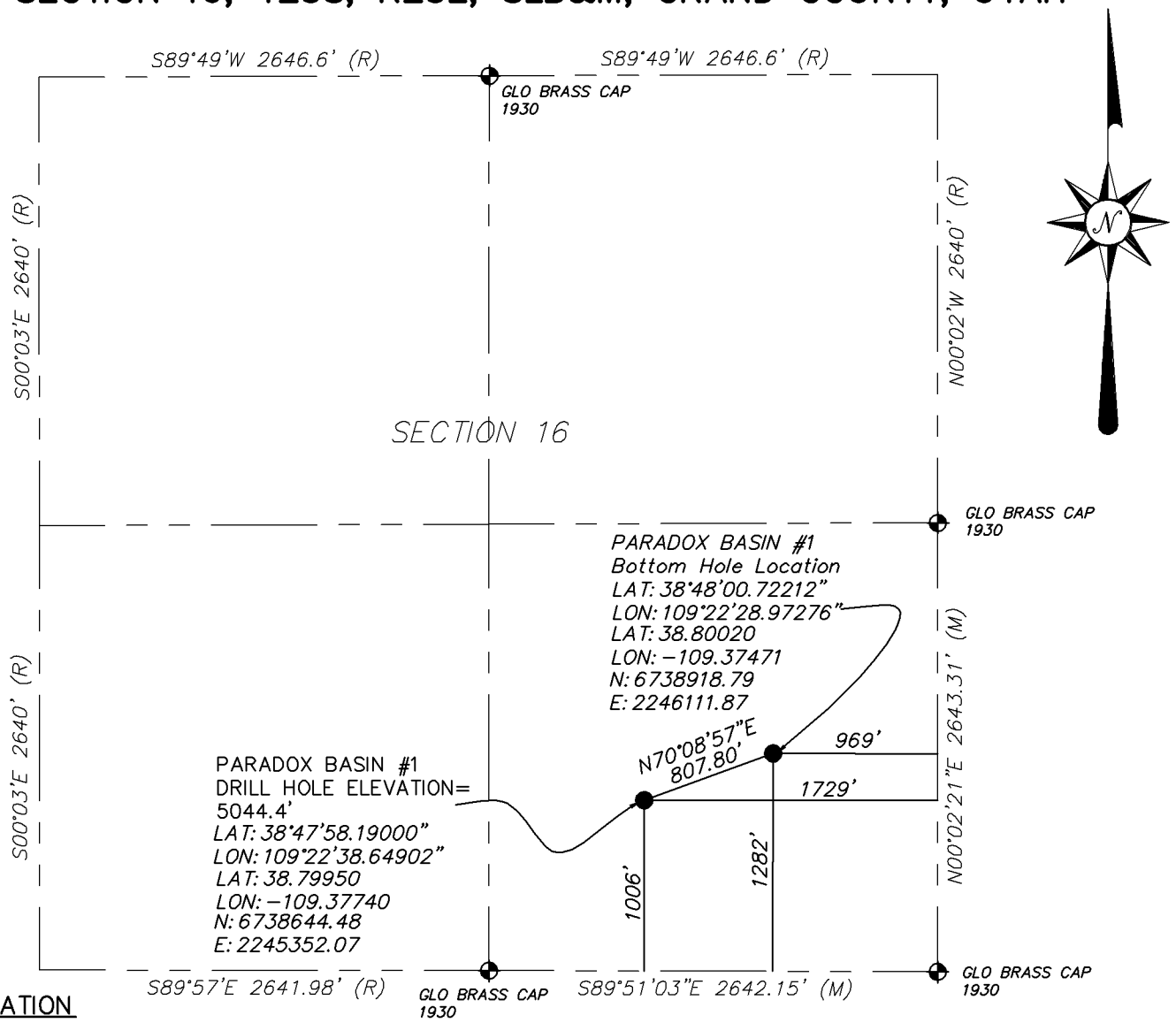
Prepared by: Dustin K. Doucet, Div of Oil,Gas & Mining
Phone: (801) 538-5281
FAX: (801) 359-3940
Date: April 8,2010
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 10250 ft, a mud weight of 8.6 ppg The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.
Collapse strength is (biaxially) derated for doglegs in directional wells by multiplying the tensile stress by the cross section area to calculate a

Engineering responsibility for use of this design will be that of the purchaser.

SECTION 16, T23S, R23E, SLB&M, GRAND COUNTY, UTAH



WELL LOCATION

1. This Well Location Plat was prepared for Golden Eagle Exploration to show the location Paradox Basin #1, located 1006 feet North and 1729 feet West of the Southeast corner of Section 16, T23S, R23E, SLB&M, Grand County, Utah, based on the location of the South Quarter corner, the Southeast corner, and the East Quarter corner of said Section 16.
2. Latitude and Longtitude are based on NAD 83.
3. Elevations are based on NAVD 88
4. Well ties are measured at 90° from the referenced Section Line.
5. Improvements: Existing Well Head and Appurtenances.
6. Surface Use: Pad Site, brush, and scrub oak.
7. All information based on GPS observation.
8. Proposed Bottom Hole location provided by Golden Eagle Exploration.

LEGEND

⊕ = SECTION CORNERS LOCATED

Ⓦ = PROPOSED WELL HEAD

0 500 1000 2000

SCALE 1"=1000'

SURVEYOR'S STATEMENT

I, Merritt P. Dismore, Professional Land Surveyor in the State of Utah do hereby certify that this survey was made under my direct supervision and that this Plat represents said Survey.

No. 166642

Merritt P. Dismore, Utah PLS 166642 — 5/23/2010

HIGH DESERT SURVEYING, LLC

1673 Highway 50 Unit C
GRAND JUNCTION, CO. 81503
TELE: (970) 254-8649, FAX: (970) 241-0451

Well Plat – Plat 1

PARADOX BASIN #1

Golden Eagle Exploration, LLC

SURVEY BY: JT/CW	Survey Date: 06/17/05	Job No. 05-86
DRAWN BY: CW/rsk	Draft Date: 3/23/10	PLAT 1

March 24, 2010

Mrs. Diana Mason
State of Utah
Division of Oil Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: Request for Exception to Spacing – Golden Eagle Exploration, LLC
Paradox Basin #1
Surface Location: 1,006' FSL & 1,729' FEL, SW/4 SE/4,
Target Location: 1,282' FSL & 969' FEL, SE/4 SE/4,
Section 16, T23S, R23E, SLB&M, Grand County, Utah

Dear Diana:

Golden Eagle Exploration, LLC respectfully submits this request for exception to spacing (R649-3-11) based on topography since the well is located less than 460' to the drilling unit boundary. Golden Eagle Exploration, LLC is the only owner and operator within 460' of the surface and target location as well as all points along the intended well bore path and are not within 460 feet of any uncommitted tracts or the unit boundary.

Thank you very much for your timely consideration of this application. Please feel free to contact me at 435-719-2018 if you have any questions or need additional information.

Sincerely,

Don Hamilton

Don Hamilton
Agent for Golden Eagle Exploration, LLC

GOLDEN EAGLE EXPLORATION, LLC

PARADOX BASIN No. 1 ST 1

Procedure to Sidetrack & Complete in the Ismay Formation
March 21, 2010

Prospect:	Yellow Cat Prospect
Well Name:	**Paradox Basin No. 1**
Actual Surface Loc:	SWSE Sec 16-T23S -R23E 1006' FSL & 1729' FEL of Sec 16 Lat. 38° 47' 58.190" N; Long. 109° 22' 38.649" W Grand County, Utah State Surface Mineral Lease No. ML47365 API No.43-019-31455
Original Well Depth:	16471' MDTD
Current PBTD:	10715' MD
Current Perforations:	*Ismay Fm* 9725 - 9732 Aug. 04, 2007 4 spf 9740 - 9760 Aug. 04, 2007 4 spf 9850 – 9860 Aug. 04, 2007 4 spf *9747 - 9770 Dec. 20, 2008 8 spf* *9783 - 9800 Dec. 20, 2008 8 spf* *9810 - 9818 Dec. 20, 2008 8 spf* *9830 - 9842 Dec. 20, 2008 8 spf* *9850 – 9860 Dec. 20, 2008 8 spf repeat*
Current Status:	The well was shut in at 05:00 hours August 27, 2009, with a 3" CIW BPV installed in the hanger. The last recorded shut in pressure was 2775 psi.
Proposed Depth of S/T:	**10446' MDTD / 10250' TVDTD** **Sidetrack Original wellbore: Set whipstock and cut window in 7" & 9 5/8" casings at 8182. Directional drill building at 2°/100' to 34.37° angle and 70° azimuth and drill to proposed TD.**
Attachments:	Well Bore Schematic

RECEIVED March 24, 2010

Existing Casing / Tubing Summary

Size	Weight	Grade	Conn.	Col	Int Yield	Jt.St.	Body Yld	Setting Depth, MD Feet		
OD in	ppf			psi	psi	Kips	Kips	from	to	ft
13 3/8	61 / 68	K-55	BTC	1540	3090			*0*	*3937*	3938
9 5/8	53.5	P-110 FSS95	LTC	7930	10900			*0*	*9595*	9595
7 Lin	26.0	L-80	LTC	5410	7240			*9149*	*14968*	5819
7 TB	26.0	L-80	LTC	11780	7240			*0*	*9148*	9148
2 3/8	4.7	N-80	EUE	11780	11200	104300	104300	*0*	*9702*	9681

A. PLUGBACK PROGRAM

1. Move in and rig up Unit Rig 234. kill the well with 8.33 ppg water.

2. **Install a 3" CIW BPV, remove the 3 1/8" 5K tree and the existing tubing spool. Install new casing spool.**

3. Install BOP's 1 - DR 11" 5K BOP and 1 – 5K Annular. Test BOP rams, choke manifold and valves to 250/5000 PSI. Test annular to 250/3500 psi. Record all tests for 5 minutes each on a chart which must be signed by all appropriate personnel.

4. Release 7" Halliburton "PLS" packer at 9681'and POOH laying down 2 3/8" 4.70 ppf N-80 8 rd EUE tubing including 1 - 3.50"x2.375" swage, 1 - Otis sliding sleeve and 1– 2.375" 4.7 ppf ON/OFF tool.

5. Rig up E-Line and run CCL & gauge ring through perforations at 9725 ft. Set 7" 26 ppf CIBP 50 feet above perforations at 9675' (do not set in collar). Pressure test CIBP to 1000 psi & record on chart. Run dump bailer and dump 20 feet of cement on top of CIBP.

6. Run the following on E-Line:

   a. CBL/CCL to confirm cement between 7" 26 ppf & 9 5/8" 53.5 ppf casing; b.Gyro Survey for orientation; and
   c. Set 7" 26 ppf CIPB 2 feet above a casing collar at approximately 8182'. Pressure test CIBP to 1000 psi & record on chart.

B. MILL WINDOW IN 7” & 9 5/8" CASING

1. Install wear bushing. Install ditch magnets in possum belly.

2. P/U 3 1/2” 13.30 ppf S-135 drill pipe BHA and TIH. Displace the fresh water in the casing with 8.60 ppg viscous WBM. POOH.

3. P/U Trackmaster Plus Hydraulic Whipstock assembly and set whipstock 2’ above the CIBP. Orient along an azimuth of 70° using a surface reading gyro. Set whipstock and shear off the whipstock. Commence milling window in the 7” & 9 5/8” casing to sidetrack at +/-8182.

4. Drill a minimum of 20’ to 50’ of new formation with a PDC mill and conduct formation integrity test to 9.50 ppg equiv., using 8.60 ppg mud. POOH.

   NOTE: Shoe squeezed may be necessary if shoe test is inadequate or indications of free casing movement at cut depth.

C. 6 1/8" PRODUCTION HOLE

1. Install ditch magnets in possum belly. Pick up 6 1/8” PDC bit and steerable motor directional assembly**.** Prior to reaching top of whipstock, record pickup and slackoff weights and rotating torque and record same on morning report. Monitor carefully as BHA reaches window and note on morning report any drag or other indications encountered at window or at top of whipstock.

2. Drill a 6 1/8” hole, building angle as per program at 2.°/100’ to 34.37° angle and 70° azimuth. Maintain angle and direction, and drill ahead to TD at 10,446’ MD/ 10,250’ TVD.

   No abnormal pressures are anticipated. The final mud weight is not expected to exceed 8.6 ppg. Maintain mud properties as per program. Pre-treat with LCM sweeps as necessary. The objective “Ismay” sand at ± 9800’ TVD is expected to have a fresh water gradient

   Make short trips at the lesser of:
   a. Intervals not to exceed 1,000’
   b. When hole conditions dictate that one is necessary

RECEIVED March 24, 2010

Monitor and record on morning report any drag or other indications encountered at window or at top of whipstock on any trip.

3. Circulate and condition mud and short trip for logs. POOH strapping drill pipe and counting stands**.** If excessive drag is encountered POOH and lay down the directional BHA. Pick up a 6 1/8" Bull Nose Hole Opener Assembly and TIH washing and reaming from the 7"/9 5/8" window to TD.

4. Log well as per the Evaluation Program with Schlumberger as follows: Make conditioning trips between log runs as necessary with an 6 1/8" Bull Nose Bit Hole Opener Assembly.

   Run #1 - PEX-HRLA P-Express w/ HRLA;
   Run #2 - BHC Sonic Delta T BHC
   Run #3 - CMR (Combinable Magnetic Resonance)

5. If well is productive prepare to run 4 1/2" 11.6 ppf P-110 LTC production casing and continue with step #7 below.

   NOTE: Prior to actual cement jobs, have a pilot test run, using onsite mix water and cement to determine final composition to be used.

6. If the well is to be plugged the Utah DOGM will be notified and a procedure will be developed and forwarded to the rig.

7. TIH with 6 1/8" Bull Nose hole opener assembly to TD. Circulate and condition mud, spot 3-5 ppb glass beads in open hole and pull out of hole. Monitor and record on morning report any drag or other indications encountered at window or at top of whipstock on any trip.

8. Change out upper rams to 4 1/2" and test bonnet seals to 250/3000 psi while recording on chart for 15 minutes.

9. Rig up casing running tools including and "Top Fill Tool" and (optional "Torque Turn" monitoring equipment). Have Davis 4 1/2"11.6# HCP-110 LTC Stage cementing tool available if needed. Have 4 1/2" LTC casing swage x 2" pressure tested valve on rig floor and function tested – record on IADC and morning report.

10. Run 4 1/2" 11.6# HCP-110 LTC casing as program to total depth of 10446' as follows:

Double valve down jet float shoe	
2 joints 4 1/2" 11.6# HCP-110 LTC casing	±80'
Float collar	
4 1/2" 11.6# HCP-110 LTC casing	±10366'

Use 2 joints for the shoe makeup with a double valve down jet float shoe and float collar unless otherwise described in the procedure. Pump through the float equipment using the swage. Float equipment and connections between should be thread locked. Fill the casing using the "Top Fill Tool" with drilling mud while running to ensure complete fill up.

11. Centralize casing as follows – Final centralizer placement to be discussed with Houston:

    a. Davis Lynch semi-rigid bow spring - 1 above float shoe, 1 around next collar, 1 above float collar, and 1 each around next five (5) collars (total of 8). *(Optional - Davis Lynch (semi-rigid bow spring) – One per joint on every 3rd joint for first 1000' above the 9 5/8" window and on first 2 full joints below wellhead).*

    b. Centralize pay sands behind 4 1/2" casing as follows:
    Davis Lynch solid spiral centralizers - 2 per joint from 100' below, through and 100' above any prospective pay zones.

12. Rig up cement lines and pre-test to 3500 psi. Break circulation 1 joint off bottom and tag bottom while circulating . Circulate a minimum of 1-1/2 casing volumes with rig pump. However, circulation is to continue until mud properties are in accordance with mud engineer's recommendations and all the trip gas is removed and the background gas has decreased to normal . Cement 4 1/2" casing using the 2 plug method. Use a total of 350 of cement slurry as per attached cement program which was calculated on 2950 feet of annular fill plus 25% excess above theoretical hole size. Final cement volumes will be based on actual wellbore conditions and actual caliper log. Displace cement, using cement unit, at the maximum rate within pressure limitations. Slow pump rate to bump plug. Bump plug and pressure up an additional 1000 psi for 5 minutes. Do not over displace by more than one half capacity of shoe joints. Release pressure and check float equipment. Re-pressure if float equipment does not hold. Reciprocate casing 15 – 20 feet, if possible.

13. WOC 6-8 hours with the annular closed before ND to set slips. Monitor annular pressure and for indications of annular gas migration.

14. Nipple down, pick up BOP stack and set 4 1/2" casing slips with +/25K tension. Install 11" 5M x 7 1/16" 5K tubing spool with dry hole tree. Pressure test to 5000 psi for 15 minutes.

15. Release rig or prepare to complete well. Procedure to be developed and forwarded to rig as needed.

D. CASING PROGRAM SUMMARY

Proposed Production Casing: 4.50" casing set at 10446' MD/ 10250' TVD in 6 1/8" hole with 8.6-8.8 ppg FWM

Interval MD, ft	Length ft	Wt ppf	Grade	Conn	Col psi	IY psi	Jt St Kips	ID in	Drift in	DF Burst*	DF Col	DF Ten
0-10446	10446	11.6#	HCP 110	LT&C	8650	10690	279	4.000	3.875	1.26	2.36	1.81

Collapse and burst loads calculated at TVD with 0.1 psi/ft gas gradient back up.
DF Burst* – Based on max calculated surface pressure of 8452 psi while fracturing Ismay

E. WELLHEAD:

Tubing Head: Cameron 11" 5M x 7 1/16" 5K tubing spool.

RECEIVED March 24, 2010

F. CEMENT PROGRAM:

Production Casing – The 4 ½" 11.6 ppf HCP-110 LTC casing will be set at 10446' MD / 10250' TVD in a 6 1/8 hole. A single stage cement job will be conducted as per cement program. Circulate cement to 7500' using a total of 350 cf of cement slurry which includes 25% excess of calculated open hole annular volume.

Cement Program Summary

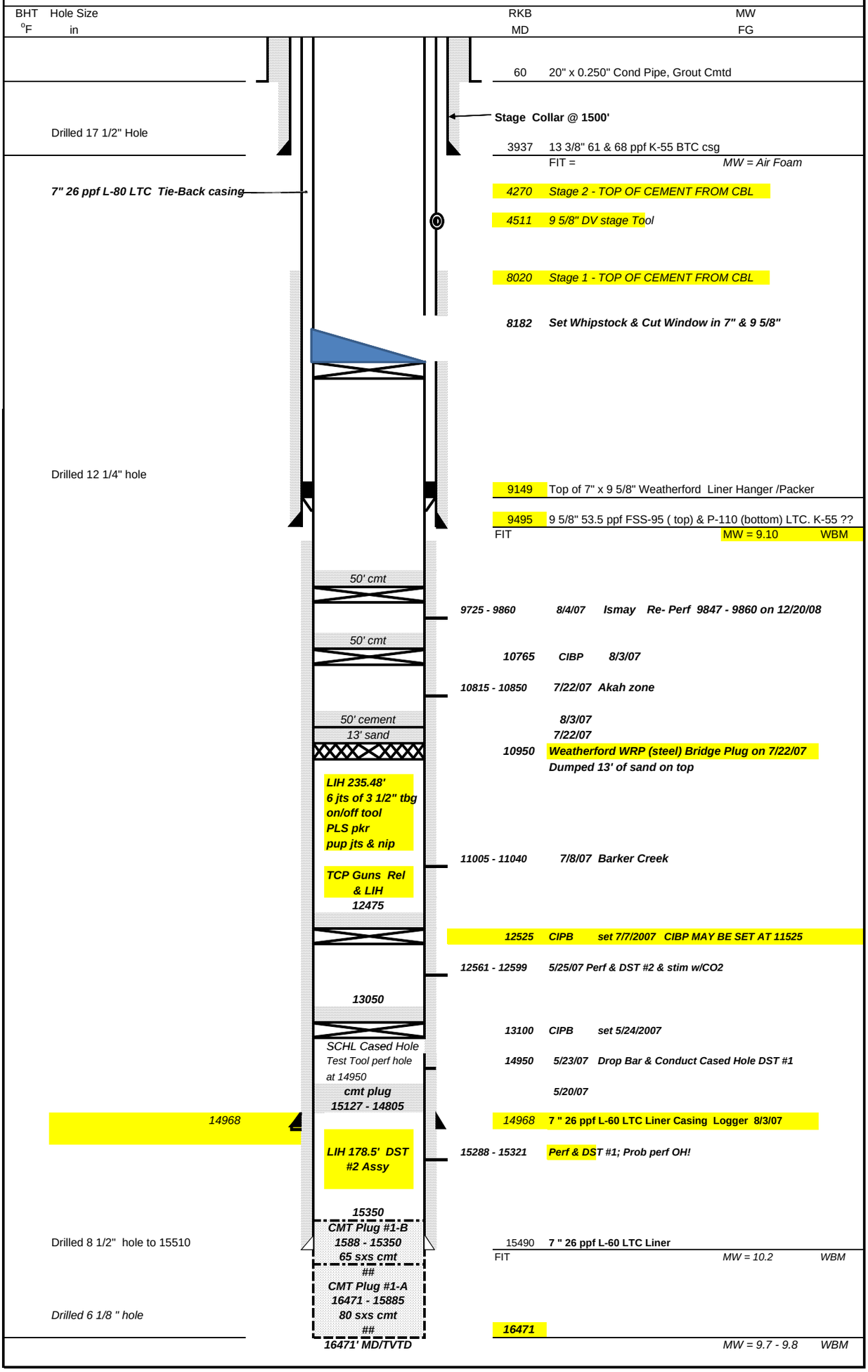
Type	Long String - Production Casing
Size /Weight/Gr/Thd	4 ½" 11.6 ppf HCP-110 LTC
Previous Casing	7" 26 ppf L-80 Casing Tieback, sidetrack window at 8200
Setting Depth - MD ft	10446
TVD @ Csg Shoe, ft	10250
Hole Size, in	6 - 1/8
Theo Top Cement Fill	7500
Calc Excess (%OH)	25
Calc Cu. Ft. Slurry	345
Spacer	
Type	Water Based Spacer – TUNED SPACER II
Density, ppg	11
Volume, bbls	40
Single Stage Slurry	
Class	50/50 Poz Premium with additives: 2% H-Gel; 0.3% HR-344; 0.2% HR-413; 5 lb/sk Silicate; 0.2% Super CBL; 0.3% HR-12; and 20% SSA-1
Density, ppg	13
Slurry Yield, cu/sk	1.94
Sacks	180
Cu. Ft. Slurry	350

Note: The slurry design may change slightly based upon actual conditions. Final cement volumes will be determined from the caliper logs plus 25% or greater excess. The production casing cement is designed for the top of cement to be at 7500'.

GOLDEN EAGLE EXPLORATION, LLC
Paradox Basin #1 ST1
Grand Co., Utah
Proposed Well Bore Schematic March 9, 2010

Actual Surf Loc: Sec 16 - T23S - R23E
1006' FSL & 1729' FEL of Sec 16
Grand County, Utah

Rig: DHS 12
Actual TD: 16,471' MD / TVD
GL Elev: 5045.4'
Dir Well: No



RECEIVED March 24, 2010

SJ - 7/16/09

GOLDEN EAGLE EXPLORATION, LLC

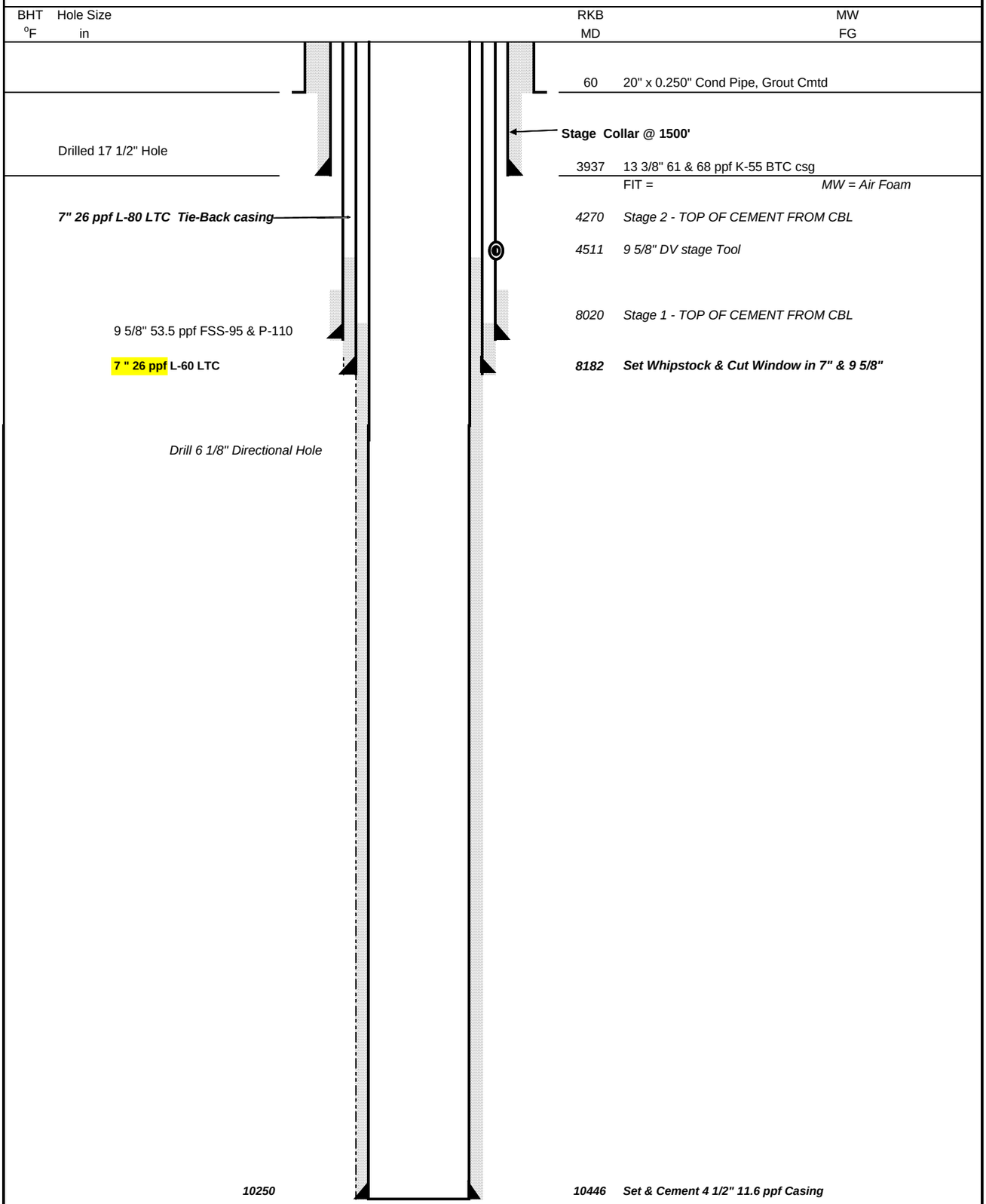
Paradox Basin #1 ST1

Grand Co., Utah

Proposed Well Bore Schematic March 9, 2010

Actual Surf Loc: Sec 16 - T23S - R23E
1006' FSL & 1729' FEL of Sec 16
Grand County, Utah

Rig:	Unit 234
Actual TD:	10446' MD / 10259' TVD
KOP	8182' MD
Inclination & Az	34.37 deg & 70.00 deg
GL Elev:	5045.4'
Dir Well:	Yes



Paradox Basin #3 & Paradox Basin #1 Formation Tops				
	PB #1	**PB #3**		*PB #2*
	Mud Log TVD Tops	Estimated TVD Tops		*Log Tops*
Navajo	350	350		
Chinle	775	775		
Moenkopi	950	946		
Cutler	1550	1545		
Honaker Trail	7478	7464		*8076*
Paradox	9040	9020		*10096*
Ismay *	9814	9803	*gas*	*10374*
Hovenweep	9989	9980		*10474*
L Ismay	10006	9993		*10500*
Gothic Shale	10205	10200		*10700*
Desert Creek	10279	10274		*10838*

RECEIVED March 24, 2010

Golden Eagle Exploration

Grand County, UT
Paradox #1
Well #1
Wellbore #1

Plan: Sidetrack

Standard Planning Report

09 March, 2010

RECEIVED March 24, 2010

Crescent Directional Drilling

Planning Report

Database:	EDM 2003.16 Single User Db	**Local Co-ordinate Reference:**	Well Well #1
Company:	Golden Eagle Exploration	**TVD Reference:**	WELL @ 5072.0ft (DHS 12)
Project:	Grand County, UT	**MD Reference:**	WELL @ 5072.0ft (DHS 12)
Site:	Paradox #1	**North Reference:**	True
Well:	Well #1	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Sidetrack		

Project Grand County, UT

Map System:	US State Plane 1983	**System Datum:**	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	Utah Central Zone		

Site Paradox #1

Site Position:		**Northing:**	6,738,644.48 ft	**Latitude:**	38° 47' 58.190 N
From:	Lat/Long	**Easting:**	2,245,352.07 ft	**Longitude:**	109° 22' 38.649 W
Position Uncertainty:	0.0 ft	**Slot Radius:**	"	**Grid Convergence:**	1.36 °

Well Well #1

Well Position	**+N/-S**	0.0 ft	**Northing:**	6,738,644.48 ft	**Latitude:**	38° 47' 58.190 N
	+E/-W	0.0 ft	**Easting:**	2,245,352.07 ft	**Longitude:**	109° 22' 38.649 W
Position Uncertainty		0.0 ft	**Wellhead Elevation:**	5,072.0 ft	**Ground Level:**	5,045.0 ft

Wellbore Wellbore #1

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	User Defined	12/21/09	0.00	0.00	0

Design Sidetrack

Audit Notes:

Version:		**Phase:**	PROTOTYPE	**Tie On Depth:**	0.0

Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)
	0.0	0.0	0.0	70.00

Plan Sections

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
8,182.9	0.00	0.00	8,182.9	0.0	0.0	0.00	0.00	0.00	0.00	
9,901.2	34.37	70.00	9,800.0	171.0	469.9	2.00	2.00	0.00	70.00	
10,446.3	34.37	70.00	10,250.0	276.3	759.1	0.00	0.00	0.00	0.00	

Crescent Directional Drilling

Planning Report

Database:	EDM 2003.16 Single User Db	**Local Co-ordinate Reference:**	Well Well #1
Company:	Golden Eagle Exploration	**TVD Reference:**	WELL @ 5072.0ft (DHS 12)
Project:	Grand County, UT	**MD Reference:**	WELL @ 5072.0ft (DHS 12)
Site:	Paradox #1	**North Reference:**	True
Well:	Well #1	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Sidetrack		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
8,100.0	0.00	0.00	8,100.0	0.0	0.0	0.0	0.00	0.00	0.00
8,182.9	0.00	0.00	8,182.9	0.0	0.0	0.0	0.00	0.00	0.00
KOP 2/100'									
8,200.0	0.34	70.00	8,200.0	0.0	0.0	0.1	2.00	2.00	0.00
8,300.0	2.34	70.00	8,300.0	0.8	2.2	2.4	2.00	2.00	0.00
8,400.0	4.34	70.00	8,399.8	2.8	7.7	8.2	2.00	2.00	0.00
8,500.0	6.34	70.00	8,499.4	6.0	16.5	17.5	2.00	2.00	0.00
8,600.0	8.34	70.00	8,598.5	10.4	28.5	30.3	2.00	2.00	0.00
8,700.0	10.34	70.00	8,697.2	15.9	43.7	46.5	2.00	2.00	0.00
8,800.0	12.34	70.00	8,795.2	22.6	62.2	66.2	2.00	2.00	0.00
8,900.0	14.34	70.00	8,892.5	30.5	83.9	89.3	2.00	2.00	0.00
9,000.0	16.34	70.00	8,989.0	39.6	108.8	115.7	2.00	2.00	0.00
9,100.0	18.34	70.00	9,084.4	49.8	136.8	145.5	2.00	2.00	0.00
9,200.0	20.34	70.00	9,178.8	61.1	167.9	178.7	2.00	2.00	0.00
9,300.0	22.34	70.00	9,271.9	73.6	202.1	215.1	2.00	2.00	0.00
9,400.0	24.34	70.00	9,363.7	87.1	239.3	254.7	2.00	2.00	0.00
9,500.0	26.34	70.00	9,454.1	101.7	279.5	297.5	2.00	2.00	0.00
9,600.0	28.34	70.00	9,542.9	117.5	322.7	343.4	2.00	2.00	0.00
9,700.0	30.34	70.00	9,630.1	134.2	368.7	392.4	2.00	2.00	0.00
9,800.0	32.34	70.00	9,715.5	152.0	417.6	444.4	2.00	2.00	0.00
9,900.0	34.34	70.00	9,799.0	170.8	469.3	499.4	2.00	2.00	0.00
9,901.2	34.37	70.00	9,800.0	171.0	469.9	500.1	1.98	1.98	0.00
500' from Original Wellbore									
10,000.0	34.37	70.00	9,881.6	190.1	522.3	555.8	0.00	0.00	0.00
10,100.0	34.37	70.00	9,964.1	209.4	575.3	612.3	0.00	0.00	0.00
10,200.0	34.37	70.00	10,046.7	228.7	628.4	668.7	0.00	0.00	0.00
10,300.0	34.37	70.00	10,129.2	248.0	681.4	725.2	0.00	0.00	0.00
10,400.0	34.37	70.00	10,211.7	267.3	734.5	781.6	0.00	0.00	0.00
10,446.3	34.37	70.00	10,250.0	276.3	759.1	807.8	0.00	0.00	0.00

Plan Annotations

Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates +N/-S (ft)	Local Coordinates +E/-W (ft)	Comment
8,182.9	8,182.9	0.0	0.0	KOP 2/100'
9,901.2	9,800.0	171.0	469.9	500' from Original Wellbore

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 03/24/2010

API NO. ASSIGNED: 43-019-31455

WELL NAME: PARADOX BASIN 1
OPERATOR: GOLDEN EAGLE (N3045)
CONTACT: DON HAMILTON

PHONE NUMBER: 435-719-2018

PROPOSED LOCATION:
SWSE 16 230S 230E
SURFACE: 1006 FSL 1729 FEL
BOTTOM: 1282 FSL 0969 FEL
COUNTY: GRAND
LATITUDE: 38.79952 LONGITUDE: -109.37673
UTM SURF EASTINGS: 640966 NORTHINGS: 4295573
FIELD NAME: WILDCAT (1)

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 3 - State
LEASE NUMBER: ML47365
SURFACE OWNER: 3 - State

PROPOSED FORMATION: PRDX
COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

✓ Plat
✓ Bond: Fed[] Ind[] Sta[] Fee[]
(No. 394312195453)
N Potash (Y/N)
N Oil Shale 190-5 (B) or 190-3 or 190-13
✓ Water Permit
(No. 10004)
N RDCC Review (Y/N)
(Date:)
N/A Fee Surf Agreement (Y/N)
N/A Intent to Commingle (Y/N)

LOCATION AND SITING:

___ R649-2-3.
Unit: GOLDEN EAGLE 70
___ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
___ R649-3-3. Exception
___ Drilling Unit
Board Cause No:
Eff Date:
Siting:
✓ R649-3-11. Directional Drill

COMMENTS:

STIPULATIONS: 1-Spacing Stip
2 EXCEPTION LOCATION APPROVAL
ENGINEERING COA FOR API 43019314555
e-permit Sundry (PARADOX BASIN 1)
3
1. A minimum of 100' (20 Sx) of cement shall be placed on the CIBP @ 9675' not 20' as proposed

GARY R. HERBERT
Governor
GREGORY S. BELL
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
MICHAEL R. STYLER
Executive Director
Division of Oil, Gas and Mining
JOHN R. BAZA
Division Director

April 12, 2010

Golden Eagle Exploration, LLC
P.O. Box 1346
Moab, UT 84532

Subject: Paradox Basin 1 Well, 1006' FSL, 1729' FEL, SW SE, Sec. 16, T. 23 South, R. 23 East, Bottom Location 1282' FSL, 969' FEL, SE SE, Sec. 16, T. 23 South, R. 23 East, Grand County, Utah

Ladies and Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-019-31455.

Sincerely,

Gil Hunt
Associate Director

GLH/js
Enclosures

cc: Grand County Assessor
SITLA
Bureau of Land Management, ~~Grand~~ moab Field Office

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114 -5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

UTAH DNR OIL, GAS & MINING

Operator: Golden Eagle Exploration, LLC
Well Name & Number Paradox Basin 1
API Number: 43-019-31455
Lease: ML47365

Location:	SW SE	**Sec.** 16	**T.** 23 South	**R.** 23 East
Bottom Location:	SE SE	**Sec.** 16	**T.** 23 South	**R.** 23 East

Conditions of Approval

1. **General**

   Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. **Notification Requirements**

   The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

   - Within 24 hours following the spudding of the well – contact Carol Daniels
     OR
     Submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website at https://oilgas.ogm.utah.gov
   - 24 hours prior to testing blowout prevention equipment – contact Dan Jarvis
   - 24 hours prior to cementing or testing casing – contact Dan Jarvis
   - Within 24 hours of making any emergency changes made to the approved drilling program – contact Dustin Doucet
   - 24 hours prior to commencing operations to plug and abandon the well – contact Dan Jarvis

   The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

   - Any changes to the approved drilling plan – contact Dustin Doucet
   - Significant plug back of the well – contact Dustin Doucet
   - Plug and abandonment of the well – contact Dustin Doucet

   The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voice mail message if the person is not available to take the call):

   - Carol Daniels (801) 538-5284 office
   - Dustin Doucet (801) 538-5281 office
     (801) 733-0983 after office hours
   - Dan Jarvis at: (801) 538-5338 office
     (801) 942-0871 after office hours

3. **Reporting Requirements:**
All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with Division of Oil, Gas and Mining, including but not limited to:
   - Entity Action Form (Form 6) – due within 5 days of spudding the well
   - Monthly Status Report (Form 9) – due by 5th day of the following calendar month
   - Requests to Change Plans (Form 9) – due prior to implementation
   - Written Notice of Emergency Changes (Form 9) – due within 5 days
   - Notice of Operations Suspension or Resumption (Form 9) – due prior to implementation
   - Report of Water Encountered (Form 7) - due within 30 days after completion
   - Well Completion Report (Form 8) - due within 30 days after completion or plugging

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. The Operator shall comply with the Conditions of Approval from the original onsite review.

6. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

7. In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.

GARY R. HERBERT
Governor
GREGORY S. BELL
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
MICHAEL R. STYLER
Executive Director
Division of Oil, Gas and Mining
JOHN R. BAZA
Division Director

April 12, 2010
Amended April 13, 2010

Golden Eagle Exploration, LLC
P.O. Box 1346
Moab, UT 84532

Subject: Paradox Basin 1 Well, 1006' FSL, 1729' FEL, SW SE, Sec. 16, T. 23 South, R. 23 East, Bottom Location 1282' FSL, 969' FEL, SE SE, Sec. 16, T. 23 South, R. 23 East, Grand County, Utah

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Sincerely,

Gil Hunt
Associate Director

GLH/js
Enclosures

cc: Grand County Assessor
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1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114 -5801
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UTAH DNR OIL, GAS & MINING

Operator: Golden Eagle Exploration, LLC

Well Name & Number Paradox Basin 1

API Number: 43-019-31455

Lease: ML47365

Location:	SW SE	**Sec.** 16	**T.** 23 South	**R.** 23 East
Bottom Location:	SE SE	**Sec.** 16	**T.** 23 South	**R.** 23 East

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7. In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.

8. **A minimum of 100' (20sx) of cement shall be placed on the CIBP @ 9675' not 20' as proposed.**

API Well No: 43019314550000

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: ML47365

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: GOLDEN EAGLE 70

1. TYPE OF WELL Oil Well

8. WELL NAME and NUMBER: PARADOX BASIN 1

2. NAME OF OPERATOR: GOLDEN EAGLE EXPLORATION, LLC

9. API NUMBER: 43019314550000

3. ADDRESS OF OPERATOR: P.O. Box 1346 , Moab, UT, 84532 **PHONE NUMBER:** 435 259-2333 Ext

9. FIELD and POOL or WILDCAT: WILDCAT

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 1006 FSL 1729 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWSE Section: 16 Township: 23.0S Range: 23.0E Meridian: S

COUNTY: GRAND

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐ **NOTICE OF INTENT** Approximate date work will start:
- ☐ **SUBSEQUENT REPORT** Date of Work Completion:
- ☐ **SPUD REPORT** Date of Spud:
- ✓ **DRILLING REPORT** Report Date: 5/8/2010

TYPE OF ACTION

☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Attached please find the re-completion reports ending 5-8-2010

CONFIDENTIAL – TIGHT HOLE

NAME (PLEASE PRINT) Don Hamilton **PHONE NUMBER** 435 719-2018	**TITLE** Permitting Agent (Buys & Associates, Inc)
SIGNATURE N/A	**DATE** 5/10/2010

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY
May 17, 2010

RECEIVED May 10, 2010

GOLDEN EAGLE EXPLORATION, LLC
DAILY COMPLETION REPORT 5-6-2010 through 5-8-2010
Paradox Basin #1

CONFIDENTIAL -- TIGHT HOLE

5/6/10 Begin to move R/U Monument rig and equip to PB #1 from PB #3

5/7/10 Con't to move R/U Monument rig and equip to PB #1 from PB #3. R/U CIW lubricator and Pure Energy lines on well #1, test same to 250 psi low and 3500 psi high 10 minute per test on chart. Open crown and lower master valve, and remove BPV from well, instant tubing pressure of 3350 psi and 0 casing pressure. Close crown valve, bleed off CIW lubricator, R/D lubricator, open well to Pure Energy, purge seperator twice, light flare and begin bleeding off well while flaring on 18/64" choke, change choke sizes as needed eventually flowing through 24/64" choke

5/8/10 Monitor SITP, Pure energy replaced flow meter, Halco installed DFIT guages, max shut in pressure of 2668 psi. Flowing well, pressure at 06:00 hrs is 407 psi with a 24 choke

RECEIVED May 10, 2010

API Well No: 43019314550000

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5.LEASE DESIGNATION AND SERIAL NUMBER: ML47365

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: GOLDEN EAGLE 70

1. TYPE OF WELL Oil Well

8. WELL NAME and NUMBER: PARADOX BASIN 1

2. NAME OF OPERATOR: GOLDEN EAGLE EXPLORATION, LLC

9. API NUMBER: 43019314550000

3. ADDRESS OF OPERATOR: P.O. Box 1346 , Moab, UT, 84532 **PHONE NUMBER:** 435 259-2333 Ext

9. FIELD and POOL or WILDCAT: WILDCAT

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 1006 FSL 1729 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWSE Section: 16 Township: 23.0S Range: 23.0E Meridian: S

COUNTY: GRAND

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐ **NOTICE OF INTENT** Approximate date work will start:
- ☐ **SUBSEQUENT REPORT** Date of Work Completion:
- ☐ **SPUD REPORT** Date of Spud:
- ✓ **DRILLING REPORT** Report Date: 5/14/2010

TYPE OF ACTION

☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
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☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Attached please find the re-completion reports ending 5-14-2010

CONFIDENTIAL – TIGHT HOLE

NAME (PLEASE PRINT) Don Hamilton **PHONE NUMBER** 435 719-2018	**TITLE** Permitting Agent (Buys & Associates, Inc)
SIGNATURE N/A	**DATE** 5/17/2010

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY
May 18, 2010

RECEIVED May 17, 2010

GOLDEN EAGLE EXPLORATION, LLC
DAILY COMPLETION REPORT 5-9-2010 through 5-14-2010
Paradox Basin #1

CONFIDENTIAL -- TIGHT HOLE

5/9/10 Flaring well, monitoring rates, 372 psi on 24/64" choke. Shut in well and monitor pressure, 2350 psi Open well on 18/64" choke, pressure @ rpt time 333 psi on 24/64" choke, continue flowing until 09:00 hrs (12 hours).

5/10/10 Flow testing & Monitor SIP in cycles. 21 hour SITP this AM 2181 psi. Formation water recovered 10.1 ppg, 300 - 320,000 ppm Cl.

5/11/10 Fin monitoring SITP for 24 hrs, max 2197 psi. Flowed 4 hr on 24/64" ck, rate decreased from 3.671 MMCFPD to 0.987 MMCFPD, FTP 2197 – 345 psi, recovered 15 BW, 300,000 ppm CL. Shut well in at 13:00 hrs 5/10/10, SITP this AM 2133 psi.

5/12/10 Monitor Shut In Pressure & prepare for move to Paradox Basin #3. SIP this AM 2228 psi

5/13/10 Monitor Shut In Pressure on PB#1. SIP this AM 2310 psi. Well shut in. Suspend reports until sidetrack operation commence. Prepare for move to Paradox Basin #3.

5/14/10 Moved Comp rig to PB#3. Wait on Halliburton equipment to frac well.

RECEIVED May 17, 2010

GARY R. HERBERT
Governor
GREGORY S. BELL
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
MICHAEL R. STYLER
Executive Director
Division of Oil, Gas and Mining
JOHN R. BAZA
Division Director

March 15, 2011

CERTIFIED MAIL NO.: 7005 1820 0001 5562 8132

Mr. Gary Nydegger
Golden Eagle Exploration LLC
1616 17th Street
Denver, CO 80202

43 019 31455
Paradox Basin 1
23S 23E 16

Subject: **Second Notice** of Extended Shut-in and Temporarily Abandoned Well Requirements for Wells on Fee or State Leases

Dear Mr. Nydegger:

As of January 2011, Golden Eagle Exploration LLC (Golden Eagle) has two (2) State Lease Wells (see attachment A) that are currently in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status. Wells SI/TA beyond twelve (12) consecutive months requires filing a Sundry Notice (R649-3-36-1). Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (649-3-36-1.3.3).

On March 3, 2009, the Division notified Golden Eagle by certified mail that the Paradox Basin 1 well was in non-compliance SI/TA status. Golden Eagle was then given 30 days to respond with necessary information per R649-3-36. To date this well has not been shown as producing since December 2008 where it was reported at 30 mcf for 8 days. Last significant production reported was in August 2007. This well remains shut in as listed in Division records. The Division feels more than sufficient time has passed to address this matter. Please submit information showing good cause for SI/TA along with required integrity information within 30 days of this notice or further actions will be initiated.

This is also a **First Notice** for the Paradox Basin #3 well. Division records show this well as having reached TD on March 31, 2010. Please reference below for actions to bring said wells into compliance.

For extended SI/TA consideration the operator shall provide the Utah Division of Oil, Gas & Mining with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).

2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and

3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

Please note that the Divisions preferred method for showing well integrity is by MIT.

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,

Dustin K. Doucet
Petroleum Engineer

DKD/JP/js
Enclosure
cc: Compliance File
Well File
LaVonne Garrison, SITLA

N:\O&G Reviewed Docs\ChronFile\PetroleumEngineer\SITA

ATTACHMENT A

	Well Name	API	LEASE	Years Inactive
1	PARADOX BASIN 1	43-019-31455	ML-47365	2 Years 5 Months
2	PARADOX BASIN #3	43-019-50003	ML-47365	1 Year

GARY R. HERBERT
Governor
GREGORY S. BELL
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
MICHAEL R. STYLER
Executive Director
Division of Oil, Gas and Mining
JOHN R. BAZA
Division Director

April 11, 2011

CERTIFIED MAIL NO.: 7005 1820 0001 5562 9887

43 019 31455
Paradox Basin 1
23S 23E 16

Mr. Steve Sullivan
Golden Eagle Exploration LLC
1125 17th Street Ste 2200
Denver, CO 80202

Subject: **Second Notice** of Extended Shut-in and Temporarily Abandoned Well Requirements for Wells on Fee or State Leases

Dear Mr. Sullivan:

As of January 2011, Golden Eagle Exploration LLC (Golden Eagle) has two (2) State Lease Wells (see attachment A) that are currently in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status. Wells SI/TA beyond twelve (12) consecutive months requires filing a Sundry Notice (R649-3-36-1). Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (649-3-36-1.3.3).

On March 3, 2009, the Division notified Golden Eagle by certified mail that the Paradox Basin 1 well was in non-compliance SI/TA status. Golden Eagle was then given 30 days to respond with necessary information per R649-3-36. To date this well has not been shown as producing since December 2008 where it was reported at 30 mcf for 8 days. Last significant production reported was in August 2007. This well remains shut in as listed in Division records. The Division feels more than sufficient time has passed to address this matter. Please submit information showing good cause for SI/TA along with required integrity information within 30 days of this notice or further actions will be initiated.

This is also a **First Notice** for the Paradox Basin #3 well. Division records show this well as having reached TD on March 31, 2010. Please reference below for actions to bring said wells into compliance.

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114 -5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

UTAH DNR OIL, GAS & MINING

For extended SI/TA consideration the operator shall provide the Utah Division of Oil, Gas & Mining with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).

2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and

3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

Please note that the Divisions preferred method for showing well integrity is by MIT.

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,

Dustin K. Doucet
Petroleum Engineer

DKD/JP/js
Enclosure
cc: Compliance File
Well File
LaVonne Garrison, SITLA

N:\O&G Reviewed Docs\ChronFile\PetroleumEngineer\SITA

ATTACHMENT A

	Well Name	API	LEASE	Years Inactive
→ 1	PARADOX BASIN 1	43-019-31455	ML-47365	2 Years 5 Months
2	PARADOX BASIN #3	43-019-50003	ML-47365	1 Year

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5.LEASE DESIGNATION AND SERIAL NUMBER: ML47365

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: GOLDEN EAGLE 70

1. TYPE OF WELL Oil Well

8. WELL NAME and NUMBER: PARADOX BASIN 1

2. NAME OF OPERATOR: GOLDEN EAGLE EXPLORATION, LLC

9. API NUMBER: 43019314550000

3. ADDRESS OF OPERATOR: P.O. Box 1346 , Moab, UT, 84532

PHONE NUMBER: 435 259-2333 Ext

9. FIELD and POOL or WILDCAT: WILDCAT

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 1006 FSL 1729 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWSE Section: 16 Township: 23.0S Range: 23.0E Meridian: S

COUNTY: GRAND

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ NOTICE OF INTENT Approximate date work will start: 6/15/2011	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SPUD REPORT Date of Spud:	✓ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ DRILLING REPORT Report Date:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
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	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Golden Eagle Exploration, LLC requests that the Paradox Basin #1 status be changed to shut-in/temporarily abandon while a federal right-of-way for a required pipeline corridor is processed. The previously approved plan to side-track with a directional drill has not occurred to date and will not be completed in the foreseeable future. The well is currently in a SI/TA status awaiting a pipeline authorization. Once a pipeline corridor is in place production of the Paradox Basin #1 would follow.

Approved by the Utah Division of Oil, Gas and Mining

Date: 06/21/2011

By: Dark K Quist

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Don Hamilton	435 719-2018	Permitting Agent (Buys & Associates, Inc)
SIGNATURE N/A		**DATE** 5/30/2011

Please Review Attached Conditions of Approval

RECEIVED May. 30, 2011

The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Sundry Conditions of Approval Well Number 43019314550000

1. Status for this well has been changed to SI as requested.

2. Approval is not granted for extended SI/TA - please see requirements of R649-3-36.

3. If operator still intends to sidetrack/deepen well, you should submit a request for extension of APD to Diana Mason immediately. Approvals are only valid for one year without extension on APD's - that year expired on 4/12/2011. If the extension request is not recieved within the next 10 days, the sidetrack/deepen approval will be rescinded.

4. Operator also needs to submit production reports that are delinquent for this well (May 2010 through April 2011 - Note: April 2011 report was due last week). Because the status of this well was mistakenly changed to DRL, turnaround production reports were not sent out for this period. This needs to be caught up to date.

RECEIVED May. 30, 2011

GARY R. HERBERT
Governor
GREGORY S. BELL
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
MICHAEL R. STYLER
Executive Director
Division of Oil, Gas and Mining
JOHN R. BAZA
Division Director

July 12, 2011

Golden Eagle Exploration, LLC
1125 17TH Street Ste 2200
Denver, CO 80202

Re: APD Rescinded – Paradox Basin 1 (DEEPEN), Sec. 16, T. 23S, R. 23E, Grand County, Utah API No. 43-019-31455

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on April 12, 2010. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective July 12, 2011.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason
Environmental Scientist

cc: Well File
Ed Bonner, SITLA

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: ML47365

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: GOLDEN EAGLE 70

1. TYPE OF WELL Oil Well

8. WELL NAME and NUMBER: PARADOX BASIN 1

2. NAME OF OPERATOR: GOLDEN EAGLE EXPLORATION, LLC

9. API NUMBER: 43019314550000

3. ADDRESS OF OPERATOR: P.O. Box 1346 , Moab, UT, 84532

PHONE NUMBER: 435 259-2333 Ext

9. FIELD and POOL or WILDCAT: WILDCAT

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 1006 FSL 1729 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWSE Section: 16 Township: 23.0S Range: 23.0E Meridian: S

COUNTY: GRAND

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT Approximate date work will start:	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
✓ SUBSEQUENT REPORT Date of Work Completion: 5/3/2011	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SPUD REPORT Date of Spud:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ DRILLING REPORT Report Date:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
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	☐ WATER SHUTOFF	✓ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

(see attached SI TA extension request)

REQUEST DENIED
Utah Division of
Oil, Gas and Mining

Date: 08/16/2011

By: Dustin K Doucet

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Don Hamilton	435 719-2018	Permitting Agent (Buys & Associates, Inc)

SIGNATURE	DATE
N/A	5/4/2011

Please Review Attached Reasons for Denial

RECEIVED May. 04, 2011

The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Sundry Conditions of Approval Well Number 43019314550000

Did not provide an explanation or supporting data showing the well to have integrity. Please take steps necessary to bring into compliance with R649-3-36 within 30 days.

RECEIVED May. 04, 2011

Golden Eagle Exploration, LLC submits that the Paradox Basin #1 well is in compliance with regard to SI/TA regulations as it has been in SI/TA status for less than 12 consecutive months.

- **Paradox Basin #1 well was opened up and subjected to work-over and testing between 05.06.2010 – 06.01.2010, with cumulative 6.268 MMscf gas produced. Paradox Basin #1 was subsequently opened up and re-tested between 04.10.2011- 04.11.2011 with cumulative 1.721 MMscf gas produced.**

We nevertheless respectfully request permission to extend the SI/TA status for the Paradox Basin #1 for an additional one year period. The well bore remains capable of production but lacks a production pipeline across federal surface and therefore is not able to be brought into commercial production at this time. A federal gas pipeline right-of-way amendment has been previously submitted to the BLM – Moab Field Office and was to be authorized under a Determination of NEPA Adequacy (DNA). The DNA decision was protested by the Southeastern Utah Wilderness Alliance and an Environmental Assessment has been initiated with an additional one year approval delay likely. We remain optimistic that our federal gas pipeline will be authorized in the near future so that the pipeline and production equipment can be installed and sales initiated. Attached please find the referenced well bore diagram with supporting information to demonstrate integrity of the well bore. We appreciate your ongoing support while we traverse the many time consuming federal hurdles on our project.

RECEIVED May. 04, 2011

GOLDEN EAGLE EXPLORATION, LLC
Paradox Basin #1
Grand Co., Utah
Well Bore Schematic July 16, 2009

Actual Surf Loc: Sec 16 - T23S - R23E
1006' FSL & 1729' FEL of Sec 16
Grand County, Utah

Rig: DHS 12
Actual TD: 16,471' MD / TVD
GL Elev: 5045.4'
Dir Well: No

BHT °F | Hole Size in | RKB MD | MW FG

60 20" x 0.250" Cond Pipe, Grout Cmtd

Stage Collar @ 1500'

Drilled 17 1/2" Hole

3937 13 3/8" 61 & 68 ppf K-55 BTC csg
FIT = MW = Air Foam

2 3/8" 4.7 ppf N-80 EUE tbg

4270 Stage 2 - TOP OF CEMENT FROM CBL

4511 9 5/8" DV stage Tool

3 1/2" x 2 3/8" swage
291 jts 2 3/8" 4.7 ppf EUE tbg
Sliding Sleeve
1 jt 2 3/8 tbg
Halib on/off tool
Halib 7" "PLS" pkr @ 9681
Total 292 jts 2 3/8" 4.7 ppf EUE tbg

7" 26 ppf L-80 LTC Tie-Back casing

8020 Stage 1 - TOP OF CEMENT FROM CBL

Drilled 12 1/4" hole

9149 Top of 7" x 9 5/8" Weatherford Liner Hanger /Packer

9495 9 5/8" 53.5 ppf FSS-95 (top) & P-110 (bottom) LTC. K-55 ??
FIT MW = 9.10 WBM

9681 7" 26 ppf Halib "PLS" packer set 12/22/08

9725 - 9860 8/4/07 Ismay Re- Perf 9847 - 9860 on 12/20/08

50' cmt

10765 CIBP 8/3/07

10815 - 10850 7/22/07 Akah zone

50' cement
13' sand

8/3/07
7/22/07

10950 Weatherford WRP (steel) Bridge Plug on 7/22/07
Dumped 13' of sand on top

LIH 235.48'
6 jts of 3 1/2" tbg
on/off tool
PLS pkr
pup jts & nip

11005 - 11040 7/8/07 Barker Creek

TCP Guns Rel
& LIH
12475

12525 CIPB set 7/7/2007 CIBP MAY BE SET AT 11525

12561 - 12599 5/25/07 Perf & DST #2 & stim w/CO2

13050

13100 CIPB set 5/24/2007

SCHL Cased Hole
Test Tool perf hole
at 14950

14950 5/23/07 Drop Bar & Conduct Cased Hole DST #1

cmt plug
15127 - 14805

5/20/07

14968

14968 7 " 26 ppf L-60 LTC Liner Casing Logger 8/3/07

LIH 178.5' DST
#2 Assy

15288 - 15321 Perf & DST #1; Prob perf OH!

15350

CMT Plug #1-B
1588 - 15350
65 sxs cmt
##

Drilled 8 1/2" hole to 15510

15490 7 " 26 ppf L-60 LTC Liner

15510 MW = 10.2 WBM

CMT Plug #1-A
16471 - 15885
80 sxs cmt
##

Drilled 6 1/8 " hole

16471

16471' MD/TVD

MW = 9.7 - 9.8 WBM

SJ - 7/16/09

GARY R. HERBERT
Governor
GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES
MICHAEL R. STYLER
Executive Director
Division of Oil, Gas and Mining
JOHN R. BAZA
Division Director

April 19, 2012

CERTIFIED MAIL NO.: 7011 0110 0001 3568 1977

43 019 31455
Paradox Basin 1
23S 23E 16

Mr. Steve Sullivan
Golden Eagle Exploration LLC
1616 17th Street
Denver, CO 80202

Subject: **Second Notice** of Extended Shut-in and Temporarily Abandoned Well Requirements for Wells on Fee or State Leases

Dear Mr. Sullivan:

As of January 2012, Golden Eagle Exploration LLC (Golden Eagle) has two (2) State Lease Wells (see attachment A) that are currently in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status. Wells SI/TA beyond twelve (12) consecutive months requires filing a Sundry Notice (R649-3-36-1). Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (649-3-36-1.3.3).

In 2009 the Division notified Golden Eagle that the Paradox Basin 1 well was in non-compliance status. This well has not been shown as producing since December 2008 where it was reported at 30 mcf for 8 days. Last significant production reported was in August 2007. This is a reissuance of a **Second Notice** for this well.

The Paradox Basin #3 well had a First Notice sent out on March 16, 2011. Division records show this well as having reached TD on March 31, 2010. Recently a request was approved on October 6, 2011, to change this well from an oil well to a gas well.

On May 4, 2011, Golden Eagle sent in sundries, for both wells, requesting one year SI/TA extension. On August 16, 2011, the Division denied both extension requests due to Golden Eagle not providing an explanation or supporting data showing the wells having integrity.

The Division feels more than sufficient time has passed to address these matters. Please submit information showing good cause for SI/TA along with required integrity information within 30 days of this notice or further actions will be initiated.

Please reference below for actions to bring said wells into compliance.

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114 -5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

UTAH DNR OIL, GAS & MINING

For extended SI/TA consideration the operator shall provide the Utah Division of Oil, Gas & Mining with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).

2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and

3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

Please note that the Divisions preferred method for showing well integrity is by MIT.

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,

for

Dustin K. Doucet
Petroleum Engineer

DKD/JP/js
Enclosure
cc: Compliance File
Well File
LaVonne Garrison, SITLA

N:\O&G Reviewed Docs\ChronFile\PetroleumEngineer\SITA

ATTACHMENT A

	Well Name	API	LEASE	Years Inactive
→ 1	PARADOX BASIN 1	43-019-31455	ML-47365	3 Years 5 Months
2	PARADOX BASIN #3	43-019-50003	ML-47365	1 Year 7 Months

GARY R. HERBERT
Governor
GREGORY S. BELL
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
MICHAEL R. STYLER
Executive Director
Division of Oil, Gas and Mining
JOHN R. BAZA
Division Director

May 3, 2012

CERTIFIED MAIL NO.: 7011 0110 0001 3568 2011

Mr. Don Hamilton
Golden Eagle Exploration LLC
P.O. Box 1204
Moab, UT 84532

43 019 31455
Paradox Basin #1
23S 23E 16

Subject: **Second Notice** of Extended Shut-in and Temporarily Abandoned Well Requirements for Wells on Fee or State Leases

Dear Mr. Sullivan:

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The Division feels more than sufficient time has passed to address these matters. Please submit information showing good cause for SI/TA along with required integrity information within 30 days of this notice or further actions will be initiated.

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2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and

3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

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1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,

for Dustin K. Doucet
Petroleum Engineer

DKD/JP/js
Enclosure
cc: Compliance File
Well File
LaVonne Garrison, SITLA

N:\O&G Reviewed Docs\ChronFile\PetroleumEngineer\SITA

ATTACHMENT A

	Well Name	API	LEASE	Years Inactive
1	PARADOX BASIN 1	43-019-31455	ML-47365	3 Years 5 Months
2	PARADOX BASIN #3	43-019-50003	ML-47365	1 Year 7 Months

UTAH DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining
Oil and Gas Program
1594 West North Temple, Suite 1210, Box 145801
Salt Lake City, UT 84114-5801
(801) 538-5340 Phone
(801) 359-3940 Fax

NOTICE OF VIOLATION
STATE OF UTAH
OIL AND GAS CONSERVATION ACT

◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆

TO THE FOLLOWING OPERATOR:

Operator Name: GOLDEN EAGLE EXPLORATION, LLC

Mailing Address: ATTN: MR. DON HAMILTON
P.O. BOX 1204
MOAB, UT 84532

Well(s) or Site(s):1) PARADOX BASIN 1 API #: 43-019-31455

2) PARADOX BASIN #3 API #: 43-019-50003

16 23S 23E

Date and Time of Inspection/Violation: March 16, 2015

Under the authority of the Utah Oil and Gas Conservation Act, Section 40-6 et. Seq., Utah Code Annotated, 1953, as amended, the undersigned authorized representative of the Division of Oil, Gas and Mining (Division) has conducted an inspection of the above described site and/or records on the above date and has found alleged violation(s) of the act, rules or permit conditions as described below.

Description of Violation(s):

Rule R649-3-36, *Shut-in and Temporarily Abandoned Wells* – According to Rule R649-3-36, the operator is required to supply the Division with reasons for extended SI/TA, the length of time for extended SI/TA and proof of well bore integrity for every well SI/TA over 12 consecutive months. After five (5) years of continued SI/TA, the wells are to be plugged unless good cause is supplied to the Division for extended SI/TA in addition to the required information just mentioned.

Rule R649-3-4.3 *Bonding* – If the division finds that a well subject to this bonding rule is in violation of Rule R649-3-36, *Shut –in and Temporarily Abandoned Wells*, the division shall require a bond amount for the applicable well in the amount of actual plugging and site restorations costs.

Rule R649-3-4.41 *Bonding* – Within 30 days of notification by the division, the operator shall submit to the division an estimate of plugging and site restoration costs for division review and approval.

The Division has initiated several contacts with Golden Eagle Exploration LLC (Golden Eagle) requesting required documents and action per R649-3-36. The wells listed have previously been issued SI/TA Notices, most recently on May 3, 2012. Golden Eagle replied to the notice via e-mail in October 2012, stating trying to complete a mechanical integrity test (MIT) but was having troubles and did not want to spend the amount it would take to accomplish it. The Division responded and was willing to work with Golden Eagle on other methods of showing the wells had integrity. To date, the Division has not received any notice or indication that these wells integrity concerns have been addressed. Both wells are very close to being SI/TA over five (5) years, which would place them under the five (5) year requirement as stated in Rule R649-3-36.

These wells are in violation of R-649-3-36 as listed above, therefore Golden Eagle is required to submit information to meet the requirements required by R649-3-36, plug and abandon or place back on production. Also Golden Eagle is required to put up full cost bonding for the wells in violation above per R649-3-4.

UTAH DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining
Oil and Gas Program
1594 West North Temple, Suite 1210, Box 145801
Salt Lake City, UT 84114-5801
(801) 538-5340 Phone
(801) 359-3940 Fax

Immediate Action: For the wells subject to this notice, Golden Eagle shall fulfill full cost bonding. Golden Eagle shall also submit plans to plug and abandon, or all required information as stated in R649-3-36 for the wells contained in this Notice.

* **Fines may be levied up to $10,000.00 per day for every well in violation given the authority provided under U.C.A 40-6-11, part 4**

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining. Failure to comply with this notice will result in the Division pursuing further actions against said operator. Further actions may include initiation of agency actions and requests for bond forfeiture and civil penalties.

Compliance Deadline: April 30, 2015

Date of Service Mailing: March 24, 2015 **Certified Mail No.: 7011 2970 0001 8828 1108**

Division Representative Signature

Operator Representative (if presented in person)

cc: Compliance File
Well Files
LaVonne Garrison, SITLA

1/2013

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: ML47365

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: GOLDEN EAGLE 70 II

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: PARADOX BASIN 1

2. NAME OF OPERATOR: GOLDEN EAGLE EXPLORATION, LLC

9. API NUMBER: 43019314550000

3. ADDRESS OF OPERATOR: P.O. Box 1346 , Moab, UT, 84532

PHONE NUMBER: 435 259-2333 Ext

9. FIELD and POOL or WILDCAT: WILDCAT

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 1006 FSL 1729 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWSE Section: 16 Township: 23.0S Range: 23.0E Meridian: S

COUNTY: GRAND

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ NOTICE OF INTENT Approximate date work will start: 6/20/2015	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SPUD REPORT Date of Spud:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ DRILLING REPORT Report Date:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	✓ OTHER	OTHER: Casing Test Procedure

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Golden Eagle Exploration, LLC respectfully submits the attached casing test procedure with well bore diagram for completion of a casing test prior to June 30, 2015 as required by Rule R649-3-36. Following the casing test Golden Eagle Exploration, LLC will submit the results of the test and a request to either extend the current SI/TA status, complete an MIT, produce or plug the referenced well.

Approved by the
Utah Division of
Oil, Gas and Mining
June 16, 2015
Date:
By: Dark K Quist

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Don Hamilton	435 719-2018	Permitting Agent (Star Point Enterprises, Inc.)
SIGNATURE N/A		**DATE** 4/30/2015

GOLDEN EAGLE EXPLORATION
PARADOX BASIN #1
CASING INTEGRITY TEST PROCEDURE
2 June 2015

PROCEDURE: SAFETY FIRST AND ALWAYS.
Notify Utah Division of Oil, Gas and Mining 24 hrs prior to scheduled test.

This is a test of the integrity of the 7" x 26 ppf casing in the wellbore. This casing is a tie-back string that is stung into the liner hanger at 9149'. The 2-3/8" tubing packer is set in the 7" csg at 9681'. There are perfs 9725'-9860', re-perf at 9847'-9860'. There is a CIBP at 10,765. Fifty ft of cement on top of BP. Est TOC...10,715'. The tubing is open to the perfs. Wellbore diagram is attached to this procedure.

1. **Tie onto wellhead to prepare for pumping into the 2-3/8" tbg x 7" csg annulus.**

2. **Fill the annulus with water if necessary. This water should be treated with oxygen scavenger and scale/corrosion inhibitor.**

3. **Open the 7" x 9-5/8" annulus valve if no pressure on this annulus. This will be a monitor point for a 7" csg leak.**

4. **Install gauge on tubing. There will be pressure on the tubing from the formation. This will be a monitor point for a possible packer leak. There will be a pressure rise on this tubing gauge as pressure is applied in the tbg/csg annulus if the packer is holding and if the casing is not leaking. If the casing and packer are not leaking, the volume of fluid pumped should not be over 1-3 bbls, provided annulus is full. If the packer is leaking, larger amounts of fluid will likely go down the wellbore and into the perfs. Tubing pressure gauge will fluctuate if fluid is bypassing the packer element and going into the formation.**

5. **If no downhole leaks are experienced, pressure test the casing to 1000 psi for 30 minutes. Record this test on a chart recorder, clearly identifying the start/stop time of the test and the pressures encountered. Enter well name, date on the chart.**

6. **If the test is successful, secure the well against possible tampering or vandalism by shutting in the well and both chaining and locking the valves shut or by removing the valve handles. Make arrangements to displace the top 10' of water in the annular spaces with diesel fuel before the onset of cold weather.**

RECEIVED: Jun. 03, 2015

GOLDEN EAGLE EXPLORATION, LLC
Paradox Basin #1
Grand Co., Utah
Well Bore Schematic July 16, 2009

Actual Surf Loc: Sec 16 - T23S - R23E
1006' FSL & 1729' FEL of Sec 16
Grand County, Utah

Rig: DHS 12
Actual TD: 16,471' MD / TVD
GL Elev: 5045.4'
Dir Well: No

BHT °F | Hole Size in | RKB MD | MW FG

60 20" x 0.250" Cond Pipe, Grout Cmtd

Stage Collar @ 1500'

Drilled 17 1/2" Hole

3937 13 3/8" 61 & 68 ppf K-55 BTC csg
FIT = MW = Air Foam

2 3/8" 4.7 ppf N-80 EUE tbg

4270 Stage 2 - TOP OF CEMENT FROM CBL

4511 9 5/8" DV stage Tool

3 1/2" x 2 3/8" swage
291 jts 2 3/8" 4.7 ppf EUE tbg
Sliding Sleeve
1 jt 2 3/8 tbg
Halib on/off tool
Halib 7" "PLS" pkr @ 9681
Total 292 jts 2 3/8" 4.7 ppf EUE tbg

7" 26 ppf L-80 LTC Tie-Back casing

8020 Stage 1 - TOP OF CEMENT FROM CBL

Drilled 12 1/4" hole

9149 Top of 7" x 9 5/8" Weatherford Liner Hanger /Packer

9495 9 5/8" 53.5 ppf FSS-95 (top) & P-110 (bottom) LTC. K-55 ??
FIT MW = 9.10 WBM

9681 7" 26 ppf Halib "PLS" packer set 12/22/08

9725 - 9860 8/4/07 Ismay Re- Perf 9847 - 9860 on 12/20/08

50' cmt

10765 CIBP 8/3/07

10815 - 10850 7/22/07 Akah zone

50' cement 8/3/07
13' sand 7/22/07

10950 Weatherford WRP (steel) Bridge Plug on 7/22/07
Dumped 13' of sand on top

LIH 235.48'
6 jts of 3 1/2" tbg
on/off tool
PLS pkr
pup jts & nip

11005 - 11040 7/8/07 Barker Creek

TCP Guns Rel & LIH
12475

12525 CIPB set 7/7/2007 CIBP MAY BE SET AT 11525

12561 - 12599 5/25/07 Perf & DST #2 & stim w/CO2

13050

13100 CIPB set 5/24/2007

SCHL Cased Hole
Test Tool perf hole at 14950

14950 5/23/07 Drop Bar & Conduct Cased Hole DST #1

cmt plug
15127 - 14805

5/20/07

14968 14968 7 " 26 ppf L-60 LTC Liner Casing Logger 8/3/07

LIH 178.5' DST #2 Assy

15288 - 15321 Perf & DST #1; Prob perf OH!

15350

CMT Plug #1-B
1588 - 15350
65 sxs cmt

Drilled 8 1/2" hole to 15510

15490 7 " 26 ppf L-60 LTC Liner
FIT MW = 10.2 WBM

##
CMT Plug #1-A
16471 - 15885
80 sxs cmt
##

Drilled 6 1/8 " hole

16471

16471' MD/TVTD

MW = 9.7 - 9.8 WBM

SJ - 7/16/09

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: ML47365

SUNDRY NOTICES AND REPORTS ON WELLS

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6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: GOLDEN EAGLE 70 II

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: PARADOX BASIN 1

2. NAME OF OPERATOR: GOLDEN EAGLE EXPLORATION, LLC

9. API NUMBER: 43019314550000

3. ADDRESS OF OPERATOR: P.O. Box 1346 , Moab, UT, 84532

PHONE NUMBER: 435 259-2333 Ext

9. FIELD and POOL or WILDCAT: WILDCAT

4. LOCATION OF WELL
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QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWSE Section: 16 Township: 23.0S Range: 23.0E Meridian: S

COUNTY: GRAND

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ NOTICE OF INTENT Approximate date work will start: 7/28/2015	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SPUD REPORT Date of Spud:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
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	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	✓ OTHER	OTHER: repair & integrity procedure

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Golden Eagle Exploration, LLC respectfully requests approval to complete necessary well head repairs, casing integrity procedure and initial monitoring procedure to fulfill the requirements of Rule R649-3-36 and submits the attached information. Following the integrity procedure Golden Eagle Exploration, LLC will submit the results, begin a monitoring procedure and request to extend the current SI/TA status pending federal authorization for a pipeline corridor.

Approved by the Utah Division of Oil, Gas and Mining
July 22, 2015

Date:

By: Dark K Quist

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Don Hamilton	435 719-2018	Permitting Agent (Star Point Enterprises, Inc.)
SIGNATURE N/A		**DATE** 7/21/2015

RECEIVED: Jul. 21, 2015

GOLDEN EAGLE EXPLORATION
Paradox Basin #1
SWSE Sec 16-T23S-R23E
Grand County, Utah

Wellsite and well equipment modifications to facilitate monthly monitoring of shut-in wells.

Paradox Basin #1

1. Excavate cellar to allow access to all wellhead valves.
2. Employ Cameron Drilling and Production Systems equipment and personnel to change out production tree on wellhead.
3. Install new tree and service wellhead valves. Monitor and record tubing pressure and all annular pressures.
4. Secure wellhead valves (chain & lock) to prevent tampering and vandalism.
5. Maintain wellhead fence in good condition.

Apply additional operational steps as necessary to facilitate safe monitoring operations and provide for secure equipment installation.

RECEIVED: Jul. 21, 2015

GOLDEN EAGLE EXPLORATION
Paradox Basin #1
SWSE Sec 16-T23S-R23E
Grand County, Utah
SI/TA Status; Well Status Monitoring; Casing Integrity Verification

Shut-In/Temporarily Abandoned Narrative:

Golden Eagle Exploration, LLC respectfully requests further extension of the existing SI/TA status for the Paradox Basin #1 well bore. Extended SI/TA status is requested for an additional one year period. The well bore remains capable of production but lacks a production pipeline across federal surface and therefore is not capable of commercial production at this time. A federal gas pipeline right-of-way amendment has been previously submitted to the BLM – Moab Field Office and was to be authorized under a Determination of NEPA Adequacy (DNA). The DNA decision was protested by the Southeastern Utah Wilderness Alliance and an Environmental Assessment has been initiated with an additional one year approval delay likely. We remain optimistic that our gas pipeline right-of-way across federal lands will be authorized in the future so that the pipeline and production equipment can be installed and sales initiated. Attached please find the referenced well bore diagram with supporting information to demonstrate integrity of the well bore. We appreciate your ongoing support while we traverse the many time consuming federal hurdles on our project.

Well Status Monitoring:

We propose to monitor the well on a monthly schedule and report the information to the Utah Division of Oil, Gas and Mining on a quarterly report basis. Said report will include the following:

1. Shut in 2-3/8” tubing pressure.
2. Shut-in 2-3/8” tubing / 7” production casing annulus pressure.
3. Shut-in 7” production casing / 9-5/8” intermediate casing annulus pressure.
4. Shut-in 9-5/8” intermediate casing / 13-3/8” surface casing annulus pressure.
5. Remarks noting on any items or issues concerning the well status.

Access road, location, well cellar and wellhead will be maintained in orderly condition to allow inspection and scheduled monitoring operations. Wellhead valves will be secured with chain & lock to prevent tampering and vandalism.

Scheduled monitoring will commence immediately after wellhead and cellar modifications are completed and will be monitored and recorded every month thereafter. Any change in the pressure readings or other indications which would indicate a change downhole, i.e., a packer failure or loss of tubular integrity, will be cause for immediate notification of the Utah Division of Oil, Gas and Mining. Plans for addressing the situation will be prepared as quickly as the anomaly is discovered.

RECEIVED: Jul. 21, 2015

As noted in Step 5, “Remarks”, of the above Monitoring Data Points, any issue which deviates from the expected norm of data will be noted. This will assist in the careful tracking of subtle changes in the downhole SI situation of the well.

Casing Integrity Verification:

Surface observation of the well readings indicated that the well is successfully shut in at the time of the readings (20 June 2015). Based on the pressures data listed below, the conclusions of the integrity of the well tubulars were based on the following:

Shut -in well pressures were monitored on 20 June 2015:

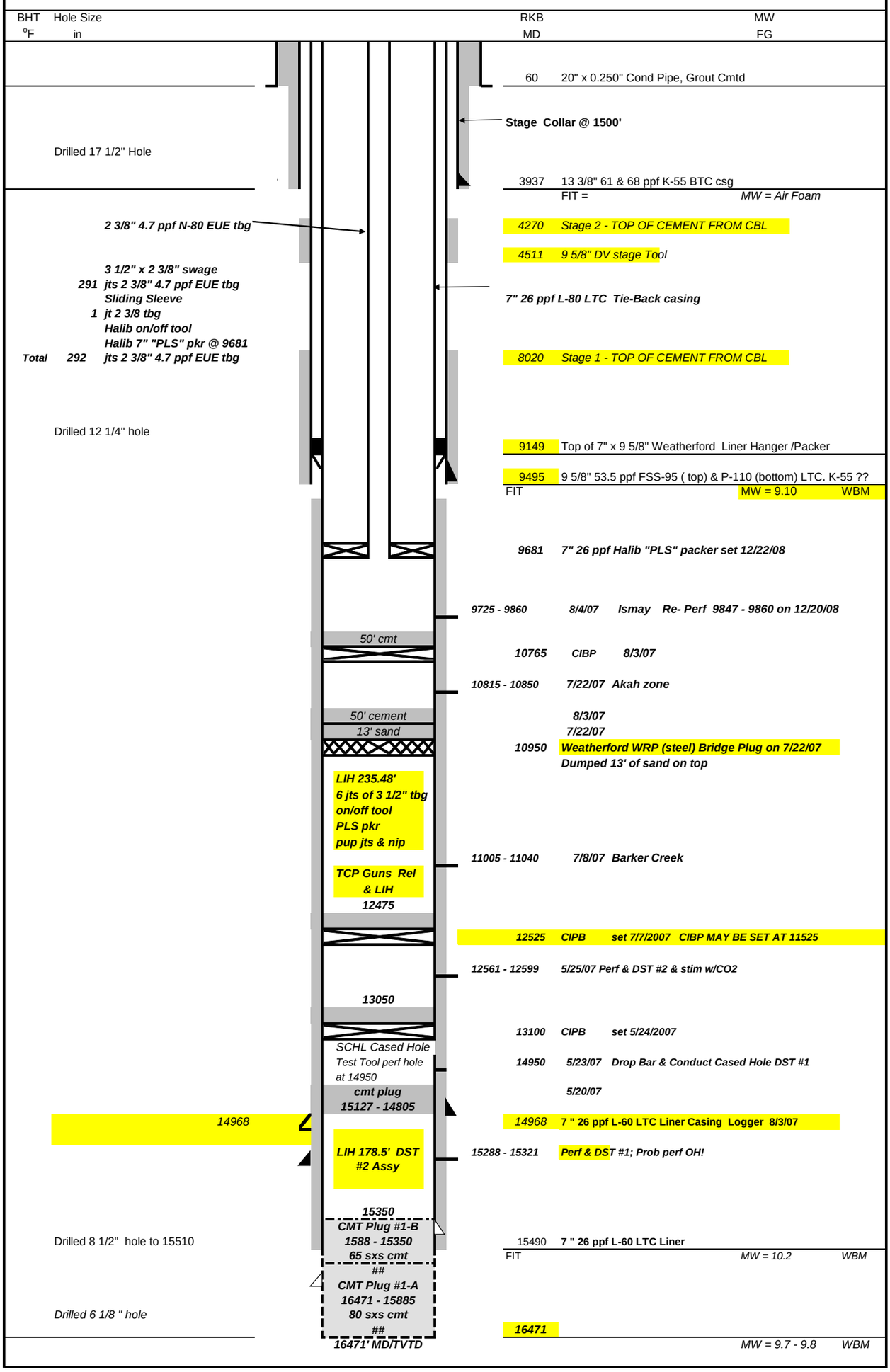
1. SI tubing pressure: 3500 psi. Pressure reading stable.
2. SI 2-3/8” tubing / 7” production casing annulus pressure: zero psi; no apparent gas leakage from the tubing string or past the packer sealing elements. Conclusion: tubing string and packer element have pressure integrity.
3. SI 7” production casing / 9-5/8”intermediate casing annulus pressure: zero psi. No leakage into the 7” / 9-5/8” annulus from either loss of pressure integrity in the 7” casing, a failed liner seal at 9149' or through the cement in the 7” casing / 8-3/4” OH annulus could be determined. Conclusion: all factors containing the pressure in this zone are in good condition.
4. SI 9-5/8” intermediate casing / 13-3/8” surface casing annulus pressure: zero psi. The intermediate casing is cemented in two stages. Cement extends from the 9 5/8” casing shoe at 9495' up to 8020'. The second stage cement extends from the stage collar at 4511' to 4270'. Both of these cement intervals were determined from a cement bond log. Conclusion: zone isolation is achieved with this cement in the 9-5/8” casing / 12-1/4” OH annulus.

RECEIVED: Jul. 21, 2015

GOLDEN EAGLE EXPLORATION, LLC
Paradox Basin #1
Grand Co., Utah
Well Bore Schematic July 16, 2009

Actual Surf Loc: Sec 16 - T23S - R23E
1006' FSL & 1729' FEL of Sec 16
Grand County, Utah

Rig: DHS 12
Actual TD: 16,471' MD / TVD
GL Elev: 5045.4'
Dir Well: No



SJ - 7/16/09